

To: Gap Inc. Board of Directors
From: Kinsey Ann Durham, Head of Marketing/ Advertising Gap Inc.
Subject: Concerns with Environmental Protection from redwood logging

April 2, 2010

Purpose: To provide recommendations for improvement to Gap Inc.'s want for environmental protection and a corresponding PR/ advertising campaign.

Introduction:

Gap Inc. is a company that not only prides itself upon producing high quality, fashionable clothes at a reasonable price, it also has many core values as a company that are supported through various social responsibility projects across the world. The core values of Gap Inc., as listed on its website, are its supply chain, the environment, employees, and community investment (Gap Inc., 2010). Although Gap Inc. initiates many effective social campaigns, such as the RED project, Gap Inc. falls short of sticking with its core values in the environmental sector.

The problem:

Environmental Protection as a Core Value

Gap Inc. is not currently in line with its core value of protecting the environment. Gap Inc.'s website states, "Together with assessing our environmental footprint, we're participating in the Environmental Protection Agency's Climate Leaders program to reduce energy use and greenhouse gas emissions" (Gap Inc., 2009). Gap Inc. has been assessing its impact on the environment as well as curbing unnecessary energy usage but Gap Inc. continues to contradict its core value of environmental protection with redwood logging that takes place in Mendocino County in California.

Redwood logging

In 1998, the founders of Gap Inc., Donald and Doris Fisher, bought over 350 acres of timberland forests for 230 million dollars in Mendocino County, which is a couple hours north of San Francisco. The Fisher family viewed this purchase as a long-term investment in order to support Gap Inc. factories with all of the logging supplies that it needs. Oddly, the Fisher family is a major supporter to protecting the environment and Donald and his brothers are affluent members of the

NRDC, which is a popular environmental group within the United States. The Fisher family claims that they are benefiting the environment by showing that timbers can be cut down in an effective manner that minimizes the forest impact. The Fisher family also did not have any plans to conserve any part of their land for conservation upsetting many California environmental activists. The Fisher family continues to cut down the large redwood trees in Mendocino County (Waldman, 2008).

Why should we care?:

Loss of Customers.

Since 1998, Gap Inc. has been criticized for the destruction of the redwood forest that once existed on their vast acres of land. There were many anti- Gap Inc. slogans that are still heard throughout the nation, “ Save the Redwoods, boycott Gap” is the most popular and can be seen on many blog headlines on the Internet still to this day. Gap Inc. also saw over a 23% decrease in sales after word broke of their redwood destruction (Waldman, 2008).

Effects on the environment

The redwood logging that has taken place on the lands of the Fisher family for the past decade has had many negative effects on the environment. The logging has completely destructed the magnificent redwood trees that towered above the clouds. Surveys done on the land have shown nothing but bare and sullen grounds that were once inhabited by many living and thriving trees. The logging is also beginning to threaten the salmon fisheries that exist near the Fisher’s land. There has been an immense loss of wildlife habitat due to the cutting down of the trees. There have also been complaints of the contamination of public drinking water and degradation of the land (Waldman, 2008).

Contradictions of Gap Inc. 's core values

Brian J. Bagley, professor and influential business consultant, argues that maintaining core values is essential to any successful business. The employees must maintain their core values as well

as the company itself. Core values are what define the company. If Gap Inc. cannot live by their core values, then they must be rethought out in order to accurately uphold them.

Strategic Plan:

Overview

In order to maintain the core values of Gap Inc., truly protect the environment, and keep Gap Inc.'s customers, the Fisher family must eliminate the redwood logging in Mendocino County, California and implement a conservation and seed-planting program within their lands to repair the damages. Also, Gap Inc. needs to implement a media campaign that will advertise what Gap Inc. and the Fisher family is doing in order to better themselves, the company and the environment as well as fund this necessary project.

The conservation program

In order to be successful and sustainable, the conservation program must have the following components:

- ✚ Identification of the habitats that reside within the land and a strategy on how to return wildlife to their natural habitat.
- ✚ Prioritization of education, conservation and habitat requirements.
- ✚ Collaboration with state and federal agencies on habitat restoration plans.
- ✚ Technical assistance from other conservation and governmental programs.
- ✚ Public input and education

These components are based on evidence from existing wildlife and vegetation conservation programs that have been successful in the past (NRCS, 2010).

The marketing strategy

The marketing strategy will be similar to the RED campaign. It will be a cross-media campaign, meaning it will transcend across all of the different outlets of advertising, and incorporate celebrities, social networking, and shopping. It will also need to be branded similar to the RED

campaign. Catchy slogans, popular celebrities, and apparel must endorse this project in order for it to be as successful as the RED campaign. The campaign does not need to reach as large of a scale and should be made to target the United States, not the entire globe.

What it will accomplish/ Logic behind the recommendation:

Increase in customers

In a study done by Cone Inc. in 2006, 86% of Americans between the ages of 13 and 85 would support a brand based on whether it was supporting a good cause (Gangale, 2008). Based on this statistic, Gap Inc. will greatly benefit not only from the new conservation program, but also from the marketing campaign that will go along with it. Presently, the Gap's very own RED campaign has raised over 35 million dollars for HIV/AIDS relief in Rwanda, Africa. There have been many measurable benefits from the RED campaign such as supplying over 6,000 women with medicine in order to impede the spread of HIV to their children and the building of 33 treatment centers in Rwanda. Furthermore Gap's sales, since the launch of the campaign in 2006, have rose 27% mainly attributed to its participation in the Product RED campaign. The stopping of the redwood logging on the Fisher's land in California has the potential to raise sales and customer support and loyalty, similarly to the RED campaign (Gangale, 2008).

Benefits to the Environment

USDA secretary, Ann Veneman, strongly encourages the development of conservation programs throughout the United States, "The advantages of conservation programs are widely recognized, from reducing soil erosion and enhancing water and air quality to promoting wetland and wildlife habitat preservation and reformation" (Adams, 2004). The Fisher family and Gap Inc. will ultimately be able to restore the land and habitats that it has destroyed in the past decade through this conservation program.

Measurements:

The success of the implementation of the conservation program with an accompaniment of an advertising campaign will be measured based on an increase in sales and response from the public as a whole. The program will be deemed successful if sales rise and will be deemed unsuccessful if sales decrease.

Costs:

Implementation of the conservation program

Keeping in mind that the Fisher family has 50 million dollars to its name, that is still not sufficient to implement an entire conservation program. The government has recently allocated an extra 275 million dollars to the Environmental Quality Incentives Program to fund conservation programs across the country (Regulatory Intelligence Data, 2009). The Fisher family can propose grant money from this program in order to proceed with the implementation of the conservation program that could cost from anywhere from fifteen million dollars to one hundred million (Regulatory Intelligence Data, 2009).

Unintended consequences:

Loss of Profit

Loss of profit is the biggest concern with this proposed plan of action. In order to avoid this, an exceptional marketing firm must be hired in order to ensure that the campaign is as successful as the RED campaign calling upon celebrity endorsements and effective social media campaigns. If the campaign proves successful, Gap Inc. will indefinitely see a rise in sales, decrease in criticism and will live true to its core values.

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Honor Code Pledge

On my honor as a e University of Colorado at Boulder student, I have neither giver nor received unauthorized assistance on this work.

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