

Case study gap company

Business



This new company brought in \$1 billion in less than four years. This was a first for the industry.

The peak of Gap's success was in 2000, when the shares were selling at a high in February 2000 at \$54 and revenues were also at their peak (www. SMS. USB. Due). Industry competition and its strategy to differentiate itself from "imitators," Gap began to sell trendier items like leather jeans and sequin shirts.

The attempt to appeal to the younger, trendier, "Bribery Spears and Christina Agiler" led market analysts to criticize the Gap because they had lost their identity. The company reported an \$8 million loss, In 2001, this being "the most difficult year ever" (www. Seems. USB. Due).

Gap's primary competitors are Dermotome & Etch, American Eagle outnumbers, and J Crew.

A&F sells men's, women's, and kids' casual clothes and accessories, but they really target the college students. J Crew sells classic-styled jeans, khakis, and other casual items to young professionals through catalogs and websites. American Eagle Outfitters also sells casual apparel and accessories targeting men and women ages 16 to 34 (www. Seems. USB.

Due). When it comes to advertising, Gap goes all out. In 1998 they spent more than \$419 million on its ad campaigns. They got famous stars like L. L. Cool J and Aerosmith to star in their commercial.

They target young people by getting popular people to be in their commercials wearing their clothing (wry. Seems. USB. Due). Some strengths that Gap has are: they are worldwide, they are a modern clothing detailer (keeping up with trends), affordable according to income, and they specialize in more than just clothing for more than one age group.

Old Navy has a wide variety of sizes, from a size zero to a size 20. Gap and Banana Republic's prices are very high and may not be affordable to all people. They have sweatshops that the children work in overseas.

Due to the fact that Gap has so many different specialty stores like Gapping and Babysat, it makes the company have more competitors, bring down the revenue, and for the future they may go out of business. The prices for those types of clothing are ridiculous. Who ants to buy their baby a fifty-dollar outfit? These are some of the weaknesses for Gap.

The major competitors of Gap are Firebombed and Fitch, J Crew, and American Eagle Outfitters. These are huge threats to the company. Society is a threat because Gap is starting to stray away from their modern day Jeans and casual wears to fit the view of how society should dress.

Another example is the fact that there are so many different clothing department stores that you can't really name distinct competitors. Other clothing stores such as J Penny's or Express are always a threat to Gap. Gap has a lot of opportunities coming forth for them.

They are trying to expand all three clothing stores into the rest of the world. They are trying to expand new product lines like maternity clothes and

perfumes. Gap is also trying to expand their Internet business (wry. Seems. USB.

Due). Our financial assessment is on the attached sheets.

The business is definitely profitable because the CEO is making \$20, 000 an hour. The overall outlook of the company seems like they will be making good progress. The original Gap has been around since 1969 and has been expanding ever since.

The investment potential of Gap is good. When we did the stock portfolio Gap Inc. As one of Email's stocks that she chose. Her rate of return for the period that we nine ten stocks was 1 Every week ten stock went up Ana seen mace SSL B per share. She invested 25% of her stock portfolio in Gap and at the end of the month when it was time to turn in our stocks she made a total of \$3, 242. 0.

From the detailed statistics this stock would definitely be something good to invest in. The Gap organization is a place where most people would like to work. The establishment makes a good amount of money and the pay is very good. The only problem is, is that they do make children work in sweatshops. People in Russian stories make 10 cents an hour and Asian women make less than a dollar a day working twelve-hour days, seven days a week. The president and CEO of Gap makes \$20, 000 an hour.

Depending on how strong your morals are will depend on whether you are willing to work there or not.

If you have strong moral values then you probably would not want to work at one of these clothing stores because they really do degrade people in foreign countries. If it really doesn't bother you that people are working for nearly nothing then a Job at this company would be great. They do give good benefits too. The plans and programs offered by Gap Inc.

Health and Wellness – Medical, Dental and Vision – Health Care Flexible Spending Account – Nurseries: A service that allows employees to speak with a registered nurse 24 hours a day seven days a week.

Peace of Mind – Life Insurance – Disability insurance – Accidental death and dismemberment insurance – Business travel accident insurance A Helping Hand – Employee Assistance Program: A confidential service that provides counseling resources to help employees and their families cope with personal problems. Also assists employees with referrals to childcare, altercate, legal and financial resources. Home loans Moving Ana relocation assailants – Travel assistance Preparing for the Future – 401 (k) Plan – Employee Stock Purchase Plan Self-Improvement and Career Patting – Tuition reimbursement – Internal placement: Gap Inc. Ivies first priority to employees interested in transferring to other positions within the company to develop their careers.

– People Focus: An interactive Web site offering development resources, including training classes, leadership guides and management skills exercises. Life Outside of Gap Inc. – Paid time off: 20-35 paid days to use toward vacation, sickness or personal time in addition to seven paid holidays per year.

Family Time – Dependent Care Flexible Spending Account – Byline pre-natal risk assessment service – Babysat for newborns and newly adopted children – Adoption Assistance Reimbursement Program – Phase Out/Phase Back program to assist new parents Giving Back – Gap Inc. Employees are encouraged to take up to five hours a month of paid time off to volunteer with local organizations. – For every fifteen hours of an employee's time volunteered at a community organization, Gap Foundation will donate \$150 to that organization.

Gap Wantonly matches annual Tort collar-employee control talons to ten cantata organizations of their choice. Rewards ; Recognition – Gap Inc. Has several bonus programs that reward eligible employees for individual performance and for supporting company goals. – President's Awards are given each year to outstanding employees who are nominated by their co-workers as the best of the best in their company. Merchandise Discounts – They offer generous employee discounts at Gap, Banana Republic, and Old Navy. (wry.

Seems. USB. Due). The company does have an affiliated foundation. It was established in 1977.

Gap Foundation is the charitable part of Gap Inc. The Foundation provides funding to a wide variety of nonprofit organizations. The Foundation helps communities raise healthy, educated children. They support and encourage under-served youth We as a group really didn't understand the Foundation of Gap Inc. They say that the Foundation was formed to help with the funding

of organizations for children. Why are they helping children in the United States but not over in other less fortunate countries.

They have children working in horrible conditions in other countries and paying them next to nothing.

Maybe they need to take away some of that money that the CEO makes every hour and give it to the less fortunate. This company is very two-faced and even though they have a Foundation to help people, they are hurting people even more. Gap Inc. Really doesn't have that much room for improvement. They do use sweatshops and there are many protests due to that fact but other than that the company is in good standings.

They are already a global company. Old Navy and Banana Republic could expand into other parts of the world besides the United States and Canada but Gap Inc. Is already in different parts of the world.

Their product lines are very sufficient and cater to the needs of many different people. Their financial situation is very good because if the CEO of the company is making \$20, 000 an hour then they must be doing something right.

Gap Inc. Is a very prosperous company. They do have some downfalls but that will happen with every company. The founders of this company were very lucky to have started such a great company. It has become one of the most prominent companies In America Ana Is Known International y.

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