

Gap inc.: has the retailer lost its style? essay



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Secondly, the Internal ND external factors will be analyzed. In addition, based on the situational analysis, the SOOT analysis will be formed in the third chapter. Furthermore, the identified factors will be compared to each other In order to classify new potential strategies.

In the last two stages, new strategies will be formulated and implemented 1 .

Company Profile Gap Inc. Is a global specialty retailer, operating retail and outlet stores selling casual apparel, accessories, and personal care products for men, women and children.

The clothing company was established by Doris & Donald Fischer in 1969.

They named the company ' GAP which refers to the Generation Gap. Due to its distinctiveness, Gap was listed on the U. S. Stock market already in 1971. Moreover, Gap started with the acquisition of Banana Republic followed by Gap sub-brands such as Gasping & Babysat and the expansions Into Europe In 1983. Nearly, 10 years later.

Gap was the second largest company according to their sales figures after Levi Strauss. In addition, two years later, Gap launched the new brand Old Navy, and expanded into Japan in 1996.

One year later. In 1997.

Gap brands are available to buy those online. Then, Gap established the fresh online shoe shop Prelims in 2006. Gap Inc. Portfolio consists of four main brands, Gap Brand, Banana Republic, Old Navy and Planners.

The mall brand Gap offers clothes for the whole family and all ages. Gap has several sub-brands, Gap Kids, Babysat, Confraternity and Sapwood, to serve the huge target group. Banana Republic offers products instead with a slightly higher quality and approachable prices. The focus here is on seasonable changing collections.

Thirdly, the brand Old Navy includes products for teenagers in their oratorio with a great price/quality value.

The last and new brand is Prelims which offers more than 100 footwear brands on their online shoe shop. 1 _ International Summer School, Spokane, Poland Group Members: Alexandra, Andrea, Roding & Sylvia 2. Situation Analysis In the second part, the current market situation of Gap Inc. Will be identified. The first chapter, analyses the Micromanagement and external environmental pressures that challenge the clothing market.

First of all, demographical change, as aging In society, changes the demand side.

Secondly, rising interest rates and economic crisis lead to the effect that consumers will spend less. In addition, resources prices, especially for cotton, have an impact on the clothing market. Nowadays, customers care more about on how a company acts according to sustainability and corporate ethics. Therefore, terms get more important such as buyer cotton (cotton without any communities). Furthermore, technological advances have good and bad sights.

For instance, on the one hand, information spreads more easily through the internet which can affect the reputation of a firm.

On the other hand, firms are able to reach more easily their target group. Additionally, monopoly regulations and liberalizing trade can also have an impact on the competition in the clothing market. Fast growing emerging markets is a main point and the last according to the term globalization. The next step of analyzing external factors refer to the growing power of the five forces which reduce the attractiveness of the industry.

Firstly, the threat of new entrants in the clothing industry is very high in order to achieve economies of scale and because the U. S. Market is mainly saturated in this field. Secondly, threat of substitute products is low.

The reason is that retailers offer similar products within a short product life cycle. Thirdly, high cotton prices lead to the fact that the bargaining power of suppliers is at a medium level. Moreover, retailers try to avoid being dependent on only one supplier to escape shortcuts. Fourthly, if prices raise customer are willing to switch to other products which lead to a high bargaining power of buyers. Fifthly, the clothing market is highly segmented and has many averse players.