

Gap Case Write Up  
Alex Lockett  
Marketing Fundamentals MGT 6360 01-02  
12 August 2025  
Professor Steve Hoeffler  
Vanderbilt University

In 2017, Gap struggled in the retail fashion industry due to changes in consumer behavior and preferences. This meant that the same merchandising and manufacturing techniques that the company upheld, would no longer work if they wanted to stay up to date in the quick changes within the industry. The problem that Gap truly faced during that year specifically, was the Project 3.0 decision of the CEO at the time, Art Peck. Peck's goal while he was in his position at the company was to lean more into functioning like a fast fashion brand by eliminating Creative Directors and replacing them with a fully analytical approach. As this case mentions, consumers are at this time less likely to add to their current wardrobe. Brands such as Gap have always been known for their "American casual" basics which consumers will not purchase as frequently. In contrast, fast fashion is known and intended for accessible and rapid purchases due to its low price. Gap uses big data to determine product development decisions and execution immediately, to be more like "low quality" fast fashion brands. This technique just adds gasoline to the fire.

The main issue with Peck's idea for Project 3.0 was that he was trying to create a fast-fashion-focused brand out of Gap, with the prices staying the same as their typical mid-tier pricing. Gap has always had the reputation of being that "optimistic, casual, American style." When going only off data and immediately putting something on the shelves within a few months, it takes away from the authenticity of the brand.

Getting rid of Mickey Drexler, Rebekka Bay, and later the Creative Director role, failed. This eventually led to Art Peck stepping down and later leaving the company. Before Drexler and Bay were fired, they shared common values of innovation and creativity, which stood in the way of Peck's strictly analytical, focused strategy for rebuilding Gap's brand image and performance.

In 2017, Gap needed to utilize both analytical trends and Creative Director input to be successful in growing the brand image and customer satisfaction for the company. Gap also could have collaborated, partnered, or communicated with trend forecasting companies such as: WGSN, WWD, Trend Union, etc., to easily predict future consumer preferences before their competitors do. Gap also considered becoming a third-party seller through Amazon to boost some of their sales, which would have been a great way to save their declining revenue, if they were a third-party seller and provided the inventory to Amazon and have Amazon fulfill the orders. With this strategy, it would guarantee that gap shops are not experiencing overflow in the back of house/stock rooms, as well as not having to repeat mistakes of continuous markdowns. Also, within Gap's Marketing Mix, the place of distribution being Omni Channel focused, is beneficial; however, Amazon needs to be a key part of this. Gap should have prioritized unit distribution steps for Amazon.

Gap needed to make sure that their manufacturing and product development timeline was adjusted to ensure that their revenue would not be heavily affected by the fizzling out of any mass trends that the brand adopted as fast-fashion merchandise. Gap also faced a missed opportunity by not staying ahead of its competitors by utilizing buyers and creative directors to report back on seeing European trends remembering which will show up as trendy in the next year or two for that "American style," hence what could've hit the mark on their brand image.

Currently in 2025, Gap sees a hint at revival of their brand name and imagine with net sales increasing 2% in the First Quarter of the Fiscal Year. This is due to the noticeable effort of consistent innovation and integration of the brand into the consumers' wants, needs, and pop culture interests. For example, with the marketing usage of artists Tyla and Troye Sivan, Gen Z consumers resonate more with recognizable figures. With the purchasing power being Gen Z and younger consumers, Gap has done a good job recently by focusing on how they can show their uniqueness, growth, and authenticity, core values of this generation. Gap needs a Creative Director. Also, current director, Zac Posen, has been intentional when targeting the brand's consumers, and even new and younger consumers. Additionally, Gap is sold on Amazon today which first launched in 2022. This decision, by the brand, made a positive impact with Gap shares increasing 7% that same evening.