



CASE STUDY: Developing Retail Expansion Strategy



Background

Gap Inc. is one of the world's largest specialty retailers, with more than 3,100 stores and fiscal 2008 revenues of \$14.5 billion. Gap has stores throughout the United States, as well as in Canada, the United Kingdom, France, Ireland and Japan and world headquarters based in the San Francisco. More than 150,000 employees around the world support Gap.

Challenges

- US apparel manufacturer wanted to develop entry and expansion strategy for Japanese market
- Needed to include differentiated approaches for GAP, Banana Republic and Old Navy brands

Approach

- Conducted comprehensive market research related to Japanese consumers, competitors and potential geographic markets
- Conducted focus groups, quantitative research and competitive analysis
- Recommended apparel categories where GAP could “own the zone” within the Japanese market
- Visited high potential geographic markets to assess consumer traffic, competitor locations and benchmark retail sales productivity
- Developed specific strategies for market entry and expansion that included:
 - Target customer segments and apparel occasions
 - Brand positioning relative to international and domestic apparel brands
 - Retail store locations by brand within key markets
 - Product design and target specifications regarding color, quality, etc.
 - Desired print advertising vehicles and key message content
 - Multi-year retail expansion strategy by brand
 - Pro-forma financial statements



Result

- Identified target consumer segments and occasions
- Determined that one of brands was not well suited to Japanese market
- Developed “own the zone” apparel category to focus on.
- Category focus strategy was extended globally
- Established store expansion strategy to add 150 stores and grow revenues to \$500 million in 4 years