**STRATEGIC COMMUNICATION PLAN**

**GAP.COM**

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**EXECUTIVE SUMMARY**

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### With over 40 years of retail apparel experience, Gap Inc. continues to grow and expand even within these difficult economic times. Part of its growth can be linked to Gap Inc.’s willingness to find new and innovative ways to communicate with its customers. One such successful communication channel has been its e-commerce Web site gap.com. The goal of this communication plan is to assist Gap Inc. with expanding the profitability of its e-commerce site by tapping into a secondary target audience of women ages 35 to 49. The proposition is to persuade these women to shop on gap.com by offering them incentives when they use their GapCard or Gap Visa card for payment.

The paper will start with presenting background information about the company, its e-commerce Web site, and its private-label credit cards (GapCard and Gap Visa). The first section will also provide a situation analysis, a SWOT analysis, and finally a core problem/opportunity statement. The outcome shows that the loyalty program connected with these cards makes the cards attractive to customers. Since research has shown that GapCard and Gap Visa card holders spend more and shop across all Gap Inc. brands, the secondary target market could become a profitable new target audience for the company.

The next section will focus on outlining the goal, objectives, proposed target audience research, and primary and secondary messages for attracting the Gap Inc. GapCard and Visa card holders to pay for purchases with their cards when shopping on gap.com. The main purpose of this section is to show that women ages 35 to 49 are already shopping on gap.com and are also involved in credit card reward programs. Therefore, the proposed target audience may be more likely to use their GapCard or Gap Visa card while shopping on gap.com if provided suitable incentives through a customer reward program.

The third section is about strategies and tactics. Two publics are featured in the section of the communication plan. The primary public is women ages 35 to 49 and the secondary public is the company’s customer sales representatives. The influence of sales reps over customers makes it necessary to appropriately educate them to better service the proposed primary publics when inquired about the customer reward program. These two publics are integrated together through the plan’s strategies and tactics, which focus on customizing services and amplifying communications with the primary publics while educating and exciting the secondary publics on assisting the primary publics.

The fourth section will highlight opportunities for measuring the success of the communication plan. It features evaluation criteria and tools for each objective and tactic.

The final section summarizes the recommendations and conclusions for Gap Inc. A proposed project calendar can also be provided to show the progress and evaluation points for the program.

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**STRATEGIC COMMUNICATION PLAN
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**INTRODUCTION**

The worldwide economic recession has taken its toll on the U.S. retail market. Like its competitors, Gap Inc. has felt the pain of declining sales. However, Gap Inc. continues to invest in its future by making long-term strategic decisions. They are to maximize the earnings potential of its brands and taking advantage of growth opportunities through its outlet stores, International, and online businesses (“2008 Annual,” 2008). Gap Inc. has also streamlined its private-label credit card reward program by giving customers the ability to use one card to shop at all Gap Inc. brands. One thing that has remained the same for the company is its target audience. All Gap Inc. brands target women ages 18 to 34. However, research shows that there is another demographic of women ages 35 to 49 that are spending time shopping on gap.com and could be considered a second target audience for Gap Inc.

The primary purpose of this strategic communication plan is to propose research, messages, tools and tactics that will attract a secondary target audience to purchase products on gap.com with their Gap Inc. private-label credit cards and Visa credit cards. The first section of this plan is to synthesize the secondary research about Gap Inc., its e-commerce Web site, and private-label credit cards. It will also provide a situation analysis, a SWOT analysis, and a core problem/opportunity statement. The second section will focus on outlining the plan’s goal, objectives, key publics research, and primary and secondary messages. The third section will lay out the plan’s strategies and tactics to send messages. Finally, the fourth section will outline the metrics for measuring and evaluating the success of the plan and the effectiveness of the communication tactics.

**BACKGROUND**

Since 2004, Gap Inc. has seen declining sales and market share (Cheng, 2009, p.1). The company has credited the declines to a string of missteps including lackluster products that alienated shoppers and decreased foot store traffic, over confidence in the brick-and-mortar channel, and not leveraging buying power to negotiate better prices from manufacturers (Edelson, 2009). Gap Inc. is working on resolving these issues by remodeling, relocating or closing current stores to capitalize on leased space, cut inventory to better leverage its buying power with manufacturers, broadening its International business, and growing its online presence (Cheng, 2009).

One section of its sales channels that continue to show growth is the Gap Inc. e-commerce site (www.gap.com). Launched in late 1997, Gap Inc. was one of the first apparel retailers to focus on customer online shopping (Lee, 1999). Gap.com is projected to make $1 billion in sales for 2009 (Cheng, 2009). The growth was largely due to investments made over the past several years to create a new e-commerce platform. In 2008, Gap Inc. launched a new “universality” platform, which allows customers to purchase from all five brands in one shopping cart, with one shipping fee (“2008 Annual”, 2008). The company is expected to expand the site in 2009 by adding apparel to complement its Piperlime.com's shoe and handbag assortment and creating online-sales sites for the Canadian, U.K., and Japan markets (“2008 Annual,” 2008).

The demographics of shoppers on the gap.com Web site are bit more varied than the one target audience of women ages 18 to 34 that is the main focus for the brick-and-mortar stores. The two dominate groups that shop on the Gap.com site are Caucasian women ages 18 to 34 and 35 to 49 who are making between $60,000 and $100,000 per year (“Gap.com”, 2009).

Gap Inc. offers two types of private-label credit cards (PLCC) as part of their Gap Reward Program. The first is the Gap PLCC and the second is a co-branded Visa card (Kuykendall, L., 2004). Both are issued by a third party, GE Consumer Finance (Kuykendall, L., 2004). In 2004, Gap Inc. made the decision to re-launch the credit card reward program so customers could earn rewards shopping across all Gap Inc. brands (Ferguson, 2006). The reason for the re-launch was to expand the credit card’s power after research revealed that there was untapped potential for credit card sales across store brands (Ferguson, 2006). Research revealed that three-fourths of Banana Republic cardholders shop at other Gap Inc. brands (Ferguson, 2006). Research also found that Gap Inc.’s PLCC holders are their best customers (Ferguson, 2006). They are twice as likely to shop at all three brands (Ferguson, 2006). To encourage brand affinity, the customer loyalty program was then designed to recognize and reward customers while shopping across all brands (Ferguson, 2006). Rewards include coupons good for 10 percent off an initial purchase with their card at each brand, brand-specific promotions, and free shipping for online purchases over $100 made with their card (Ferguson, 2006).

Research shows that PLCCs can generate significant incremental revenue; 5 to 10 percent in some cases, as a result of 30 to 50 percent of total sales being processed on the card (Ferguson, 2006). In 2007, Gap Inc. launched the co-branded Gap Visa card with GE Money, the same finance company that issues the PLCC (“Gap Tries On”, 2007). The Visa card allows card holders to earn rewards at all Gap Inc. brands as well as for use at anywhere Visas are accepted (“Gap Tries On”, 2007). In addition, the card holders can receive special offers, advance sales notices, and exclusive online shopping benefits (“Gap Tries On”, 2007).

**SITUATION ANALYSIS**

The current worldwide economic situation has hit the U.S. retail apparel market hard. Gap Inc. like its competitors has taken a beating. For example, Gap Inc. endured an average sales decrease of 8% across all Gap Inc brands in the first quarter of 2009 (“Gap Inc. Reports”, 2009). Even the e-commerce site sales have slowed, with the estimated U.S. retail e-commerce sales for the first quarter of 2009 decreased 5.4% as compared to the first quarter of last year (Winters, King & Davie, 2009). However, the Gap Inc. e-commerce site continues to be a growing sales channel for the company. Online sales for the first quarter of 2009 increased 13 percent to $267 million, compared with $236 million for the first quarter of last year (Cheng, 2009). Research on the customer demographics of the e-commerce site shows that not only do the traditional Gap Inc. target market of women aged 18 to 34 shop on the site; it’s also the Generation X and the younger Baby Boomers (ages 35 to 49) who are also purchasing products (“Gap.com”, 2009). They make up 33% of site visitors while the traditional Gap Inc. demographic makes up 46% of traffic (“Gap.com”, 2009).

Another important sales channel for the company is the Gap Inc. PLCC and Visa card. Research has shown that card holders are more likely to be loyal to Gap brands and twice as likely to shop at all three brick-and-mortar stores (Ferguson, 2006).

Unfortunately, PLCC tend to be held by riskier borrowers with fewer credit options (Bernard, 2009). Losses on these cards are rising at a faster pace than the broader credit card market; 10.51% in January, up 44 percent from a year ago (Bernard, 2009, p.1). These cards also have higher rates of charge-offs, making it more difficult for struggling customers to pay off larger loans (Bernard, 2009). Although PLCC make up only 11% of the total outstanding credit card loans, they may be a warning for the general card market as more consumers are unable to keep up with payments for their PLCC (Bernard, 2009). Another larger issue for review is that General Electric tried to sell its finance unit, which issues cards not only for Gap Inc., but also for Wal-Mart and Lowe’s. They were unable to find a buyer and continue to run the unit, but have commented they would like to quit the finance business altogether (Bernard, 2009). This could impact Gap Inc. should their card holders begin to default on their loans.

Women ages 35 to 49 are shopping for Gap Inc. brands. They are spending time on gap.com and are likely to own credit cards like the Gap PLCC or Gap Visa. These women could be a profitable demographic for Gap Inc. However, in 2005, Gap Inc. launched a pilot store concept dedicated to meet the large demographic of women over the age of 35. Due to low sales, traffic momentum, and productivity levels a full rollout of the brand was abandoned (Rusli, 2007). Although, Gap Inc. may be wary of tackling this demographic again, these women continue to support the company and deserve another look as a possible source of revenue.

**SWOT ANALYSIS**

|  |  |
| --- | --- |
| Strengths | Weaknesses |
| Brand recognitionPortfolio diversityAffluent target marketE-commerce growthNegotiation power | Lackluster product offeringsOverconfidence in brick-and- mortar channelNarrow niche market |
| Opportunities | **Threat** |
| International expansionBrand expansionExpand e-commerce presenceLoyal second target market | PLCC defaultsU.S. economic situationPrevious poor experience with possible second target audience |

**CORE PROBLEM/OPPORTUNITY**

Gap Inc. has the opportunity to boost declining company sales by luring a neglected target market to purchase more on gap.com through the use of the Gap PLCC or Gap Visa credit card.

**GOAL STATEMENT**

Influence women ages 35 to 49 to pay for purchases on gap.com with either a Gap Inc. private-label credit card (GapCard) or Gap Visa card.

**OBJECTIVES**

* Raise awareness of Gap Reward Program to 80% of primary publics (women ages 35 to 49) who shop on gap.com by December, 2009.
* Position the GapCard and Gap Visa Card customer reward program as the preferred retail apparel reward program by at least 80% of primary publics by January, 2010..
* Stimulate 30% increase in applications for GapCards and Gap Visa cards among primary publics by February, 2010.
* Obtain 15% increase in GapCard and Gap Visa card purchases on gap.com by primary publics by Ma, 2010.
* Motivate primary publics to increase spending by10% on all gap.com purchases by September, 2010.

**KEY PUBLICS**

Women from Generation X and the younger Baby Boomers (total market age range from 35 to 49) who currently purchase from the Gap Inc. e-commerce Web site.

**RESEARCH INFORMATION**

The key publics or target market for this planning matrix is a mix of two generations; younger Baby Boomers born between 1946 and 1964 and Generation X or Gen Xers born between 1965 and 1976 (Wuest, Welkey, Mogab, & Nicols, 2008). There are approximately 78 million total Baby Boomers in the United States as compared to 45 million totals Gen Xers (Wuest et al, 2008). Although these two generations may seem quite different, they in fact share many similar characteristics.

Baby Boomers and Gen Xers are affluent, with total household incomes of approximately $60,000 (“Median Income,” 2006). Specifically, Baby Boomers annual spend of $500 billion total (Anderson & Kennedy, 2006). Both generations are well-educated, with 26% of Baby Boomer women and 34% of Gene Xer women holding college degrees (Wuest et al, 2008). They are technology savvy with over 76% of both generations mobile enabled and over 70% of them live in households with Internet service (Jones & Fox, 2009). Research shows that 80% of Gen Xers internet users and 68% of younger Baby Boomers (46-64) internet users buy products online (Jones & Fox, 2009). Finally, 90% of both generations use email, while 65% of Gen Xers and 53% of Baby Boomers bank online (Jones & Fox, 2009).

Interesting, these generations are working side by side in the workplace. Baby Boomers are continuing to work, forced into second careers, part-time work or even lower paying positions to make up for losses from the downturn in the world economy (Anderson & Kennedy, 2006). Therefore, these women are still requiring appropriate work apparel.

Children play an important role in both generations’ households. As of the 2004 US census, birth rates have risen for both generations (U.S. Department, 2006). The birth rate for women ages 35 to 39 years went up by 4%, to 45.4 births per 1,000 women (U.S. Department, 2006). For women ages 40 to 44, the birth rate rose by 2%, to 8.9 births per 1,000 women (U.S. Department, 2006).

The buying habits differentiate greatly between the generations. Gen Xers are typically characterized as skeptical consumers who are cautious when making purchasing decisions, hold no loyalty to any particular brands, and want to make decisions based on their own assessments rather than influences by marketing messages (Swanson, 2006). On the other side of the coin are the Baby Boomers who are known to spend money and can be relied on for brand loyalty (Anderson & Kennedy, 2006). Although these generations have differing buying habits, they do have similar credit card habits. Research shows that 32%of all adults ages 32 to 49 use credit cards as a way to earn points in reward programs (Taylor, Funk & Clark, 2009).

Psychographic information about Baby Boomers when it comes to shopping and clothing shows that these women don't want to be addressed as baby boomers (Hanft, 2008). They especially don’t want to make a public branding statement about their age by walking into a specialty apparel store (“Ageless Fashion,” 2007). Baby Boomer women cultivate relationships with their clothing, and the relationships impact their sense of self, brand affinity, and fashion identity (“Ageless Fashion,” 2007). They feel alienated when shopping for brands that gravitate towards younger women, and they're not interested in brands that gravitate towards older women. These women are looking for better service and attention to their specific needs (Wuest et al, 2008). Finally, shopping for Baby Boomer women is a way to socialize (Wuest et al, 2008).

Psychographic information on Gen Xers is a mix of inconsistent shopping behaviors (Swanson, 2006). As previously described, they lack brand loyalty and want honest, straightforward approach from marketing (Swanson, 2006). Technology fuels their lives; they are constantly plugged in and therefore, are constantly bombarded by advertisements (Swanson, 2006). Certain buying habits suggest that Gen Xers emphasize value and convenience, however, they are also known for elitist behavior when it comes to certain product categories such as infant/children products, food, and beverages (Swanson, 2006). Finally, like the Baby Boomers Gen Xers like to combine shopping with entertainment (Anderson & Kennedy, 2006).

**MOTIVATING SELF-INTERESTS**

* Gen Xers
	+ Market savvy, cautious/pessimistic, diversity.
* Baby Boomers
	+ Strive to reduce stress through products and services that will make their lives easier, personal fulfillment, individual capabilities.

**STATUS OF CURRENT RELATIONSHIP WITH GAP.COM**

Women make up largest portion of gap.com shoppers with 59% of Web traffic are women and 33% are ages 35 to 49 (“Gap.com,” 2009). People who visit the gap.com Web site are 94% more likely than the average Internet visitor to look at other Gap Inc. brand Web sites (“Gap.com,” 2009). They are also 37.5% more likely to visit online children’s boutiques such as Gymboree and Children’s Place (“Gap.com,” 2009).

**THIRD PARTY INFLUENCERS/OPINION LEADERS**

* Significant others/family, Gap Inc. store sales people, financing company, social networking sites, and peers.

**MESSAGES**

**PRIMARY MESSAGE**

Shopping on gap.com with my GapCard or Gap Visa card gives me access to special benefits and savings that no other specialty retail customer reward program can match.

**SECONDARY MESSAGES**

* Robust reward program includes (“Earn Rewards,” 2009):
	+ Tuesdays are 10% off all purchases when using GapCard
	+ Free online shipping for GapCard purchases over $100
	+ Earn reward points for every purchase
	+ Earn $10 reward cards for purchases at any Gap Inc. brand stores or online stores
	+ Exclusive seasonal events
	+ Advance notice of special events
	+ No annual fees
* Receive 15% off your first purchase when approved for a GapCard (“Earn Rewards,” 2009).
* Online account management and bill pay (“Earn Rewards,” 2009).
* You can return items at any Gap Inc. stores or by following simple directions included with purchases (“Earn Rewards,” 2009).
* GapCard and Gap Visa card are underwritten by GE Money until 2013; they are the largest issuer of PLCCs in the country, have a $32 billion portfolio of cards and are unlikely to have financial difficulties (Bernard, 2009).
* GapCard is a cross-brand program; use the cards to shop at all Gap Inc. brands on gap.com and pay for all purchases on gap.com from all brands at once. Online purchases will ship together (“Earn Rewards,” 2009).
* Gap Inc. is a 40 year old brand icon in the retail apparel industry and known for providing timeless fashion in a variety of price points (“2008 Annual,” 2008).

**STRATEGIES**

The communication plan consists of four strategies for reaching the primary publics. This paper will elaborate on two of them.

The first strategy is to:

Customize the new Gap Reward program by developing a dialogue with the target market and proactively accumulating information from them about themselves, specific aspects of their purchase process, and usage of the GapCard and Gap Visa card (if they have them or ask why they do not) through key database development via brick and mortar interactions, traditional (Web site), and direct marketing channels.

There are two important reasons for this strategy. The first reason is that a reward program is part of customer relationship marketing; focusing on building long-term business relationships with existing prospects and customers (Meyer-Waarden & Benavent, 2001). This strategy acknowledges that enticing the target market to become members of the new Gap Reward Program through shopping incentives is not enough. The program has to be meaningful to them. The two segments of the primary publics have different shopping habits. The Baby Boomers are brand loyalists and can be expected to spend money (Anderson & Kennedy, 2006). They build relationships with their clothing and the relationships impact their sense of self, brand affinity, and fashion identity (“Ageless Fashion,” 2007). In short, Baby Boomers want to form relationships with brands and in return they expect better customer service and personalized attention. Gen Xers are not brand loyalist and want honest, straightforward approach from marketing (Swanson, 2006). They are looking for value and convenience while still having elitist tendencies in certain product areas such as children’s clothing and food (Swanson, 2006). In summary, a brand that can offer Gen Xers uncomplicated communication and value can expect in return reliability as customers.

For Gap Inc. to feel meaningful to the primary publics , it is necessary for the company to engage with them and provide them open channels of communication and feedback (LaMalfa, 2007). An engaged customer is not only more loyal, they also go out of their way to show their association with your company (LaMalfa, 2007). Research shows that 32% of all adults ages 32 to 49 use credit cards as a way to earn points in reward programs (Taylor, Funk & Clark, 2009). Therefore, our primary public of women ages 35 to 49 may be more likely to show their association with Gap Inc. by possessing a GapCard or Gap Visa Card. The second reason for engaging in dialogue with the target market is that studies shows that the buying habits of the two generations included in the demographic differentiate greatly. For example, Gen Xers (women born between 1965 and 1976) are characterized as being skeptical consumers who are cautious when making purchasing decisions, hold no loyalty to any particular brands, and want to make decisions based on their own assessments rather than influence by marketing messages (Wuest, Welkey, Mogab, & Nicols, 2008; Swanson, 2006). On the other side of the shopping coin are the younger Baby Boomers (women born between 1946 and 1964) who are known to spend money and unlike the Gen Xers can be relied on for brand loyalty (Wuest, Welkey, Mogab, & Nicols, 2008; Anderson & Kennedy, 2006). A generic reward program cannot possibly meet the two demographics vastly different ways of shopping. By understanding their individual shopping habits and GapCard and Gap Visa Card usage patterns the reward program can be modified to their specific shopping characteristics. Making it easy for the target market to use the program makes it more probable that they will use it.

The second strategy is to:

Strengthen communications with the most profitable segment of the target market who purchase on gap.com using their GapCard and Gap Visa card by showing Gap Inc’s appreciation for their patronage by sending special thank-you notes, surprise gifts, and regular communications to connect with them.

The reason for this strategy is to build relationships with existing profitable customers rather than investing marketing dollars on transient or low-yielding ones (Burnett, 2009). The target market is a lucrative demographic. Research indicates that the target market is affluent, with total household incomes of approximately $60,000 (“Median Income,” 2006). Specifically, Baby Boomers annually spend $500 billion total (Anderson & Kennedy, 2006). Retaining the relationship with this segment takes understanding of their individual needs, providing an optimized service experience, recognizing them for their patronage, and rewarding them at the right time (Burnett, 2009). The target market, especially the Baby Boomers are looking for better service and attention to their specific needs when it comes to apparel shopping (Wuest et al, 2008). Studies show that customers are demanding more value-added services (Burnett, 2009). Therefore, cultivating the relationship with the profitable segment is a mix of assessing their on-going needs and priorities so that recognitions and rewards are appropriately leveraged (Burnett, 2009).

These two strategies showcase the importance of understanding and tailoring programs to meet the target markets specific shopping needs. Implementing demographic information through customized programs provides a path for the customer to engage in a more meaningful and hopefully a more profitable relationship with the brand.

**MARKETING CHANNELS**

**PRIMARY MARKETING CHANNELS**

The reason for choosing the marketing channels listed below is to leverage the existing Gap Inc. channels and re-work them to make the channels more relevant to the target market. The existing marketing channels consist mostly of traditional, social and personal marketing mediums. Both generations featured in the target market are tech savvy, they are comfortable communicating by e-mail, and shop online (Jones & Fox, 2009). Most importantly, they are already visiting the gap.com Web site (“Gap.com,” 2009). Instead of creating new channels of communication, resources can be allocated to re-working existing marketing channels that research shows are already reaching the target market. Dollars saved can be spent on other expensive marketing activities such as the specialty in-store events or re-working the current e-commerce brand Web site to feature the Gap Reward Program more prominently.

* Primary Marketing Channels
	+ Print direct mail pieces
	+ E-mail direct marketing
	+ Social networking media (Facebook, Twitter)
	+ In-store print collateral
	+ Print magazines
	+ E-commerce site
	+ Special in-store events

**ALTERNATIVE MARKETING CHANNELS**

The idea behind choosing the following list of alternative marketing channels is similar to the reason behind the choices for the primary channels. The in-store sales representatives and e-commerce customer representatives are existing channels of communication that are already communicating to the target market. Texting is not new to the target market and can be easily and inexpensively implemented through mining the customer database for phone numbers (Jones & Fox, 2009). Finally, Gap Inc. can pull its weight and ask the editors of the print magazines that the company is already advertising in to write an editorial or feature store about the new reward program.

* Alternative Channels
	+ In-store sales representatives
	+ E-commerce customer service representatives
	+ Texting
	+ Features stories in print magazines

**TACTICS**

The first set of tactics is about developing the communication stream between Gap Inc. and its target market. In order to implement a reward program and keep it relevant, Gap Inc. has to empower its target market to provide feedback through commonly used marketing channels (LaMalfa, 2007). The information from the research can be used to identify problems or to solve problems (LaMalfa, 2007). Survey information can also be used to identify which customers are most valuable to the company and what characteristics of the reward program need to be tweaked to meet their needs (LaMalfa, n.d.).

The tactics concentrate on reaching the target market through the three main marketing channels that research shows they are using on a consistent basis (Jones & Fox, 2009; “Gap.com,” 2009). The first is the e-commerce site, the second is e-mail, and the third is direct mail.

* In-store survey requests
	+ *Provide printed comment cards to customers that used GapCard or Gap Visa card requesting that they provide feedback about specific aspects of their purchase process and themselves on gap.com Web site for an incentive (i.e. 10% off next purchase, etc.).*
* E-commerce Web site survey requests
	+ *After purchase using GapCard or Gap Visa card, customer is asked to take a survey and provide information about themselves and the purchase process for an incentive.*
	+ *Under Gap Reward Program page for card holders, viewers are requested to take survey and provide information about themselves and the purchase process for an incentive.*
* Direct marketing channel survey requests
	+ *Craft email and send to current card holders asking for them to go on gap.com site and provide feedback about their Gap Reward program, GapCard/Gap Visa Card purchasing experiences, and about them for an incentive. Link to gap.com included.*
	+ *In credit card statements, include printed survey and self-addressed stamped envelope. The survey would include a request to the card holder to fill out the provided survey about their Gap Reward program, GapCard/Gap Visa Card purchasing experiences, and about them for an incentive.*

The second set of tactics look at showing appreciation to the most profitable segment of the target market through personalized print material and e-mails. Research of the target market shows that they want to appreciated for their patronage (Wuest et al, 2008). Variable data printing allows for personalized information to be added to printed material. E-mails can also be personalized to the customer. Personalized material gives the perception of a relationship between the customer and the company (Meyer-Waarden & Benavent, 2001).

* Send personalized printed thank-you notes to all Gap Reward program members that spend over a designated amount on gap.com and for in-store purchases. Provide additional incentive for future purchases.
* Make their birthdays special by providing incentive to purchase during the month of the target market’s birthday. Send printed birthday cards to the card holder with incentive that can be used in-store on online.
* Personalized e-mails to target market and send out weekly. Compare database with e-mail addresses that have been given to receive updates on specific Gap Inc. brands to find which brands that the most profitable customers shop at within the designated target market. Profitable segment then receives e-mails that include information on new apparel from the Gap Inc. brand that the customer shops most at, reminder about benefit opportunities, special event information, and reward program points status. Include incentive to shop such as 10% off next purchase.

In summary, these two sets of tactics are about communication. The first is about opening the channels of communication while the second set is about strengthening the communication with a segment of the target market. Together, they leverage existing channels of communication that are re-worked to meet the target market.

**STRATEGIES FOR REACHING TARGET MARKET BEYOND PRIMARY**

The target market beyond the primary that this paper will concentrate on is the Gap Inc. customer sales representatives. The customer representatives are the first contact for most customers and can influence the shopping experience for the customers. As research shows, both generations represented in the target market use shopping as either a social opportunity or as an entertainment opportunity (Wuest et al, 2008; Anderson & Kennedy, 2006). Therefore, the way in which the sales representatives communicate with the customers can affect the customers shopping experience.

The strategies are also about ensuring that the customer sales representatives buy into the reward program. If they don’t understand it or don’t believe in it, they won’t sell it to the customer.

The two strategies are:

Educate and excite the Gap Inc. customer representatives about the Gap Reward program as a brand and benefits in order to better service program inquiries through social, interpersonal, and standard company training channels.

Involve Gap Inc. customer representatives in building the Gap Reward Program so they will engage in the process of communication with customers by opening dialogue channels between the sales representatives and the reward program development team.

**MARKETING CHANNELS FOR REACHING THE TARGET MARKET
BEYOND THE PRIMARY**

The chosen marketing channels for reaching the customer sales representatives can be broken into two groups. The first group consists of commonly used channels by Gap Inc. for communicating new information to the sales representatives. These channels are easily accessed by the sales representatives while working, whether it’s a Web site or a PowerPoint presentation. The other set of channels could be considered unexpected such as a launch party or receiving a phone call from a Gap Inc. executive. These channels are used to excite the sales representatives about the reward program and make them feel a part of the process of developing and executing the program.

**PRIMARY MARKETING CHANNELS**

* Printed collateral
* PowerPoint presentations
* Marketing manager (trainer)
* Social media (blog)
* Special events (Thank you or launch party)
* Store manager (Provide information, collect feedback)
* Intra-site (specifically about reward program)
* Phone/video message from CEO of company

**ALTERNATIVE MARKETING CHANNELS**

The alternative channels are still about communicating to the target market, but they may not be as easy to access at work as would the primary channels. Again, these channels are about opening lines of communication with the target market while still educating them.

* Personal e-mails (thank you for your support, updates on program)
* Podcasts (educate on new reward program information, customer information)
* Wikis (program information)

**TACTICS FOR REACHING THE TARGET MARKET BEYOND THE PRIMARY**

* In-store training using PPT to detail Gap Reward program brand and benefits for customers.
* Printed notebook featuring Gap Reward program launch, program highlights, sample Gap Reward program material (brochure, magazine ads, emails, e-commerce site, etc.), FAQs, process new card members, and assistance information (who do I call if I have questions).
* Design discussion points for sales representatives to use when talking about the reward program with potential new members.
* Special program launch event for sales representatives only.
* Design intra-site for sales reps only that has information about the reward program, assistance information, and current Gap Reward program member events, and benefits.
* Sales representative only blog that allows them to post information, comments, questions from customers about the reward program to use for on-going updates to the program.
* Engage in group and one-on-one meetings with sales representatives and the reward development team through the use of video and live meetings to inquire on reward program and request feedback.
* Thank you phone calls from Gap Inc. executives to sales representatives for their work on making the reward program successful.

**EVALUATION CRITERIA AND TOOLS**

**Objective 1 Evaluation Criteria**

Achieve 80% awareness of Gap Reward Program among key publics who shop on gap.com by December 1, 2009.

**Evaluation Tool**

Conduct a random email survey of the key publics from December 5 through December 10, 2009 to determine the total percentage that are aware of the Gap Reward Program.

**Objective 2 Evaluation Criteria**

Attain 80% preference of Gap Reward Program among key publics over competitors’ customer reward programs by January 3, 2010.

**Evaluation Tool**

Conduct a random email survey of the key publics from January 8 to January 13, 2010 to determine the total percentage of primary publics who prefer the Gap Reward Program over Gap Inc. competitor’s reward programs.

**Objective 3 Evaluation Criteria**

Credit card applications increased by 30% among key publics who are purchasing on gap.com, but are not GapCard or Gap Visa card holders by February 1, 2010.

**Evaluation Tool**

Request count of the number of applications for GapCard or Gap Visa credit cards by requesters who match the key publics’ demographics from records kept by GE Consumer Finance from September 1 through February 1, 2010.

# Objective 4 Evaluation Criteria

### Purchases on gap.com by key publics using the GapCard or Gap Visa credit cards grew 10% by May 5, 2010.

## Evaluation Tool

### Request count of the number of purchases made with GapCard or Gap Visa credit cards by shoppers who match the key publics’ demographic from records kept by GE Consumer Finance from September 1 through May 5, 2010.

# Objective 5 Evaluation Criteria

### Spending on gap.com increase 20% among key publics by September 7, 2010.

## Evaluation Tool

### Request total monthly spend on gap.com by shoppers who match the key publics’ demographic from records kept by credit card finance groups such as GE Consumer Finance from September 1, 2009 to September 7, 2010.

# EVALUATION CRITERIA AND TOOLS FOR MEASURING EFFECTIVENESS OF PLAN AND TACTIC

# Evaluation Criteria

## Achieve 30% participation rate among key publics who used either their GapCard or Gap Visa credit card to pay for purchases on gap.com to take an online survey.

## Evaluation Tool

#### Measure the number of surveys that were offered to key publics that purchased on gap.com using either a GapCard or Gap Visa credit card against number of surveys completed by same publics.

## Evaluation Criteria

## Generate 20% response rate from key publics who received printed survey with their credit card statements asking them to fill out the survey and return in self-addresses stamped envelope within one month of receiving statement.

## Evaluation Tool

#### Calculate the number of surveys completed and mailed back by key publics against the number of surveys sent out with credit card statements that were not returned.

## Evaluation Criteria

## Attain 20% response rate among key publics who are current GapCard or Gap Visa credit card holders to open and respond to direct marketing email requesting their participation in an online survey by clicking embedded link to gap.com survey page.

## Evaluation Tool

#### Measure the number of emails sent to key publics against the number of emails responses of opening the email and clicking on the link to gap.com.

## Evaluation Criteria

## Purchasing incentives included in mailed thank you cards and birthday cards are redeemed by 20% of the most profitable segment of the key publics either online at gap.com or in-store within one month of delivery.

## Evaluation Tool

#### Measure the number of purchasing incentives that were redeemed by key publics who received them in thank you cards or birthday cards against the number that were actually sent out.

## Evaluation Criteria

## Ten percent of the most profitable segment of the target market responds to weekly personalized emails from their favorite Gap Inc. brand by opening them and clicking on the embedded link to gap.com.

## Evaluation Tool

#### Measure the number of emails sent to key publics against the number of emails responses of opening the email and clicking on the link to gap.com.

# Conclusions and Recommendations

### The Gap Inc. e-commerce site continues to be a lucrative sales channel for the company. By tapping into a secondary target audience of women ages 35 to 49, Gap Inc. has the opportunity to make gap.com even more profitable. These women are already shopping on gap.com and more likely than the average Internet visitor to look at other Gap Inc. brand Web sites (“Gap.com,” 2009).

One way of enticing the proposed new target audience to shop habitually at gap.com is by offering them incentives through the GapCard and Gap Visa Card customer reward program. Research shows that both segments of the proposed target audience use credit cards to earn points in reward programs (Taylor, Funk & Clark, 2009). Research also found that Gap Inc.’s private-label credit card holders are their best customers (Ferguson, 2006).

The program should be transformed into a more robust customer loyalty program that personalizes compensations for the shoppers so that the program has meaning for them. The two segments of the proposed secondary target audience have different shopping habits. The Baby Boomers want to form relationships with brands and in return they expect better customer service and personalized attention. A brand that can offer Gen Xers uncomplicated communication and value can expect in return reliability as customers.

 Gap Inc. should use the established marketing channels to communicate with the proposed target audience that the company already utilizes for marketing to their primary target audience. Both segments of the proposed target audience are tech savvy, making social and personal marketing channels appropriate for communicating with them (Jones & Fox, 2009). This will help keep budgets conservative, allowing for additional monies to be spent on more elaborate and costly marketing opportunities such as in-store events.

Finally, focus should be on wooing the most profitable segment of the secondary target audience. This lowers the chance of spending important marketing dollars on transient and intermediate customers. Research indicates that the proposed target audience is affluent with the Baby Boomer demographic spending $500 billion total annually (“Median Income,” 2006; Anderson & Kennedy, 2006). Therefore, cultivating the relationship with the profitable segment is a mix of assessing their on-going needs and priorities so that recognitions and rewards are appropriately leveraged (Burnett, 2009). In exchange, Gap Inc. can expect devoted customers who will spend money shopping on gap.com.

The goal of this strategic communication plan is to expose a previously disregarded channel of revenue for Gap Inc. by exploiting the characteristics of a demographic that the company typically does not typically target. Thoughtful communication to the proposed secondary target audience through easily recognizable marketing channels has the best chance of winning their loyalty and their dollars.

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