

Gap departs high street as prime store locations left stranded by high-speed retail revolution

Yet another familiar fashion retailer is about to disappear from the British high street. The once-mighty Gap is the latest brand to [pull down the shutters](#).

By [Anthony Kent](#) 5 Jul 2021



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Following in the footsteps (and depleted footfall) of Debenhams, Topshop, and [so many others](#), Gap's move to online-only selling is further evidence of the accelerating change in consumer direction – away from physical stores and onto our screens.

Until 2008, the US company, which also trades the Banana Republic and Old Navy brands, had been the world's largest fashion retailer. Back then, it [relinquished its position](#) at the top of the tree to Zara's parent company, Inditex, and the years that followed have not been easy.

Over the past decade, [sales declined](#) as it sought to maintain an appealing mid-market product range at the right price. Gap came under more pressure from lower-priced fashion competitors – such as Primark – and rapidly growing online competition.



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In the UK, Next remains a confident online leader, while the likes of Amazon and Asos have increased their share of the market. Smaller specialist fashion retailers such as Boohoo have done notably well out of the pandemic as shoppers were forced to get their fashion fix online when non-essential shops were closed.

[Boohoo's acquisition](#) of defunct high street brands such as Dorothy Perkins and Oasis, as well as other brand partnerships and diversification into the beauty sector, will further add to that company's appeal.

In addition, the younger consumers who might have formed a new generation of Gap shoppers are turning elsewhere. Not only to e-commerce but to social commerce conducted on social media, which allow pre-purchase, purchase and post-purchase chat and entertainment. These consumers can even become active participants in buying and selling fashion items through sites such as [Depop](#) and [Vinted](#).

All these developments point to a rapidly changing fashion retail environment.

However, while in the US companies like Amazon, Walmart and Target have seen significant [growth during the pandemic](#), others, including Gap, have found the online trading environment more problematic. Gap's online business, which will continue in the UK, is not considered a big player and was unable to make up for the lost business from the stores.



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But a more profound problem is perhaps brand identity and position in the fashion market. For while brand awareness among consumers is likely to remain high, Gap probably falls down in terms of being a favourite store or providing an excellent experience. In its core ABC1 market, newer entrants have found success with more focused and aspirational offers, and more appealing retail experiences.

Brand touchpoints – where a customer comes into contact with the brand – which integrate online, mobile and physical store channels, have become much more important. New technologies to personalise consumers' shopping experiences and developments with augmented reality and virtual reality devices point the way to a more distinctive and innovative future.

Gap has not really addressed these trends in the UK. A successful sales and marketing formula based on a broad range of clothing for all ages at reasonable prices over many years is difficult to change – as other mid-market retailers, such as Marks & Spencer, have found.



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Location creates a further problem. At this stage in the pandemic, retailers are beginning to assess new formats and different locations. As consumers have returned to shopping more locally, so retailers are looking at opportunities for smaller stores in more convenient places. In particular, they have started to explore ways of integrating stores with their online operations throughout the shopping experience.

Gap's prime store locations with their inevitable high rents and business rates contributed significantly to their costs, while restricting their ability to try new ideas. Maybe it was an inevitable move to close shops and focus on its online business.

But it will be in the company of many others. And as consumers become more aware of sustainability and

ethical issues in fashion production and consumption, perhaps the time has come to welcome new thinking about fashion and a different type of shop.

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