

GAP

Elevating Retail Experience and Profits

How The Gap optimized its shopper experience raising conversion rates 15% with ShopperTrak.

October 24, 2022
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Summary:

The Gap, a clothing retailer with 427 stores across the United States, has seen a 15% increase in conversion rate to 30%. The company implemented solutions from ShopperTrak to improve customer satisfaction, define new retail standards, and establish new sales training tools. The increased conversion rate has earned The Gap an extra \$569,863 per day.

The Gap is using ShopperTrak's tools to:

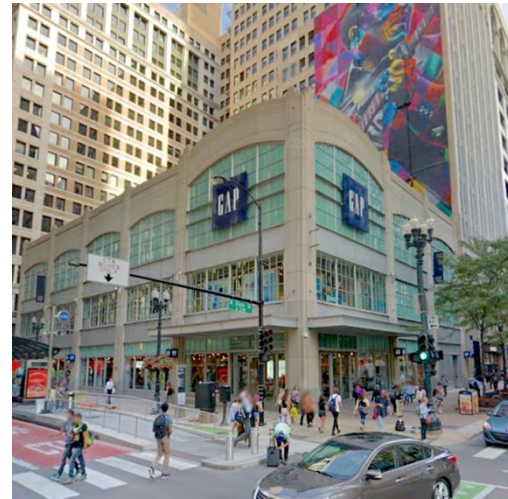
- Identify potential revenues through measured customer traffic data
- Produce more revenue from existing stores to prevent spending on opening new stores
- Establish new KPI's
- Understand and implement conversion rate strategies
- Improve sales, profits, and store staffing strategies

The Gap's vice president of operations, Grace Rigas stated, "Before ShopperTrak we were unaware of the potential revenue we had across all our stores. The tactics ShopperTrak provided allowed us to understand the challenges we were facing and how to optimize on consumer traffic in current locations rather than opening new locations. We were naïve to conversion rates' impact on our annual profit until now."

About the Gap:

The Gap was founded in 1969 by Donald and Doris Fisher with the goal to create a retail experience that was fit for everyone. The Fisher's engraved the values of equality, empowerment, and sustainability into the company.

The Gap has shown success in expanding through the creation of seven other retail brands. However, the conversion rate of customers show that The Gap would be able to optimize with a better understanding of retail data and sales interactions.



Challenges:

The Gap, like other retailers, prove to be unaware of their potential conversion rates. ShopperTrak has found that retail stores are unaware of the amount of traffic that comes in and out of stores daily, and don't see the number of sales they are losing because of it. The challenge in this is how to properly allocate the current resources in order to increase conversion rates and produce greater possible revenue.

The Gap was facing the challenges of spending too much money on opening new stores in new locations with the hopes that they would see a profit increase across the board. The Gap was under the impression that general customer traffic was producing the revenue and profits that they needed. However, they did not know that a lot of the individuals coming in and out of stores were not actually making any purchases.

With continuing to open new stores, The Gap was also facing the challenge of constantly having to find the adequate number of staff needed in each store. Staffing issues resulted in customers not making those conversions because they were not receiving adequate help from associates.

The Gap recognized these challenges and sought out a solution that would earn them more profits, increasing their conversion rate, without having to spend the money to open stores in new locations.

Facing the Challenges:

ShopperTrak's in-store traffic monitoring technology was able to compile data of customers walking in and out to establish key performance indicators created specifically for The Gap to combat their challenges. The device was implemented in an eight-week program to determine the solutions for the Gap's challenges. Those key performance indicators showed The Gap revealed the percentage of customers who made transactions compared to the amount of traffic, the number of sales per shopper, the average transaction size, and the shopper to associate ration.

These KPI's helped The Gap to better address their challenges. The Gap was able to work with the data provided by ShopperTrak to reach that 30% conversion rate. They recognized that conversion rates needed to be a daily conversation and implemented tactics to make conversion a store value and a part of the company culture. ShopperTrak's key performance indicators proved that small changes within retail can have a big impact.

Recognizing that the conversions happen with the face-to-face interaction with the retail staff, ShopperTrak pushed The Gap to train staff without taking away from selling hours. The Gap began to train new staff by scheduling them with old staff for more of a hands-on learning experience.

ShopperTrak's tracking technology also showed that The Gap needed to find a better balance between weekday tasks and employees being on the floor engaging with customers. The Gap was not properly balancing store tasks with customer service. This imbalance was taking away from prime customer service experiences that led to conversions. ShopperTrak's data analysis helped The Gap find a better balance in the workday by utilizing power hours, or when staff needed to be on the floor engaging with customers.

ShopperTrak helped The Gap to realize the importance of having a good and active management staff. Data showed that when managers were not engaging with their staff or not at work, the stores suffered. ShopperTrak enabled The Gap to recognize the importance of managers that understand employee and store needs to implement weekly and daily goals, share best practices, and survey feedback and discussions.

The Gap's challenges helped to create key outcomes and objectives within their stores. Those outcomes being:

- Identify the traffic opportunity
- Show that small changes create big impacts
- Uncover associate effectiveness
- Prove conversion goal setting as a best practice
- Make conversion rate a daily conversation

Results:

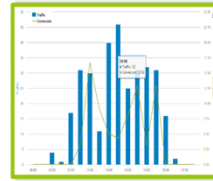
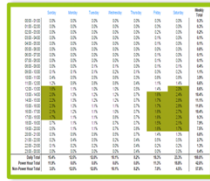
Over the course of 8 weeks, Gap stores were seeing increases of conversion rate between 2% and 5%, the highest being at The Gap store #104 throughout the pilot program.

The data to the right shows that ShopperTrak determined that Sunday, Friday, and Saturday between the hours of 12:00-8:00pm with the proper number of sales associates working with customers resulted in increased conversion rates from 6% to 9% to 11% to 18.8%. This is when The Gap saw the biggest increase in conversion rates on a day-to-day basis during the pilot program.

The data to the right shows The Gap's results year over year after the pilot program was completed. There were six store locations that saw an increase in conversion and average transaction. This totaled out to a 1.7% increase in conversion and 3.3% increase in average transaction.

ShopperTrak's tracking technology allowed for a 1.3% lift of incremental sales from pilot stores compared to non-pilot stores. This 1.13% increase in 2,800 Gap store locations gained the company an extra \$569,863 per day resulting in \$208,000,000 annually.

Taking Action



- Reallocating labor based upon traffic
- Evaluate associate performance
- Taking action on committed changes
- Discovery of opportunities
- Celebrating successes and working through challenges
- Collaborating as a team to make changes
- Weekly and daily goal setting
- Sharing of best practices
- Survey feedback and discussion

Overall Results – Year over Year

Store	Conversion Increase	Average Transaction Increase
0781 - Saint Paul MN	3.4%	-0.6%
1133 - Charlotte NC	-8.3%	6.9%
1242 - St. Petersburg FL	6.1%	4.6%
1518 - Hudson NY	6.8%	0.7%
2867 - Orlando FL	8.1%	6.4%
3098 - New Port Richey FL	-12.3%	3.8%
3334 - Kissimmee FL	3.8%	-1.4%
3869 - Charlotte NC	0.1%	6.9%
Total	1.7%	3.3%