CORPORATE BRAND MANAGEMENT AND REPUTATION

MASTER CASES

WAS GAP'S NEW LOGO CRAP?

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Corporate Brand Management and Reputation: Master's Cases

The "Corporate Brand Management and Reputation: Master's cases" is a case series for applying the case method of teaching and learning in higher education. The cases are relevant to brand strategists in private and public sector organizations, as well as academics and students at universities, business schools, and executive education.

The cases are written by groups of master's students as a course project. The specially developed case format is defined as: *"A management decision case describes a real business situation leading up to a question(s) that requires assessment, analysis, and a decision reached by discussion in class. The alternative approaches and recommendations from the class discussion are followed by a description of the choices made by the case company. This description is then discussed by the class."*

The student groups select the topics of their case providing updated and relevant insights into the corporate brand management. The cases can be used as "written cases" (handed out and read in advance, later to be discussed in class) and/or as "live case" (presented by the teacher following a discussion in class). Each case includes teaching notes, visuals with speaker's notes, learning objectives, board plans, and references.

The mission of the series is *"to develop cases for discussion providing insights into the theory and practice of corporate brand management and reputation, with the intent of bridging the Gap between academic teaching and managerial practice."*

The series is a result of co-creation between students and teachers at the elective course Corporate Brand Management (BUSN35 – five-credit course/eight-week half-time studies), part of the master's program International Marketing and Brand Management at Lund School of Economics and Management, Sweden. The cases represent the result of the intellectual work of students under the supervision of the head of course.

Although based on real events and despite references to actual companies, the cases are solely intended to be a basis for class discussion, not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. The cases are free to be used and are to be cited following international conventions.

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Was Gap's New Logo Crap?

WRITTEN CASE

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WAS GAP'S NEW LOGO CRAP?

In order to rejuvenate Gap's overall brand perception, the company went through a major logo change in October 2010. The redesigned logo was introduced without any prior communication and happened due to various reasons. Gap was not only facing some issues with being a "dusty brand" but was also confronted with a decrease in sales. Additionally, the brand faced a low attractiveness among the younger generation. Therefore, the decision was made by the board of Gap to design a new logo to make the brand more modern in the eyes of the customers. However, the sudden logo change led to criticism and negative response from media, customers and the design community, which will be the main topic of the following case.

Background and History of Gap

Founded in 1969 in San Francisco by Donald and Doris F. Fisher, Gap quickly became a leading apparel retailer targeting the young generation with more affordable and comfortable options. While retailing other brands such as Levi's and LP records, Fisher discovered that low prices were a strong trigger of the young generation's buying behavior. Gap started to focus on a small range of clothing like shirts, jeans and jackets yet a big number of color variations and sizes maximizing the profits of the retailer. This became Gap's unique selling point making it possible to sell big volumes of clothing and within two years the company generated an annual revenue of USD 2.5 million. The rapid expansion continued with Gap opening 180 new stores within five years. By the end of the 1970s Gap had included its own line of apparel and by the 1980s sales had tripled and the company shifted focus from the biggest and most popular to their own brands.

Today Gap Inc. is the largest specialty retailer in the U.S. and third internationally with almost 3.700 stores and USD 15.8 billion in annual sales, ranking behind Inditex Group and H&M. The company operates in five primary divisions including Gap, Banana Republic, Old Navy, Intermix and Athleta. The sub brands are all targeting different customer audiences. Gap is explained in the following way on their website:

"American Optimism is our attitude. Casual style is our aesthetic. Clean and confident, comfortable and accessible, classic and modern. It's the quintessential expression of Gap brought to life through iconic clothing. Our collections are a modern interpretation of our denim roots and signature pieces that are a staple for every wardrobe. Gap embraces a youthful, infectious spirit and the freedom to express individual style."

Although the sub brands of Gap Inc., e.g. Banana Republic and Old Navy, were doing good in terms of sales and reputation, the main brand Gap seemed to be "stuck in a rut". Sales were dropping increasingly, and the brand perception was also not outstanding. Customers perceived Gap as being a boring, dusty, outdated brand. Therefore, the company decided to evolve the brand and become more modern, i.e. "a fresher Gap". The board decided to refresh Gap in one quick move, transitioning from "classic American design to modern, sexy and cool".

The Incident

On the 4th of October 2010 Gap introduced a new logo without any prior announcement. In the beginning, it was rolled out on the company's website and their social media channels. The original logo, the classic blue square with a white capitalized Serif font, had been around for more than 20 years at that time. Hence, not only their customers but all stakeholders of the company were taken by surprise by this sudden change.

As mentioned before the company was aiming to become a more modern and fresher brand. Therefore, the company hired Laird & Partners, a New York-based branding agency to redesign their logo. The goal was to come up with a more contemporary logo, but keeping Gap's core values in mind. Hence, the new logo was designed with a clean Helvetica font and a small blue box overlapping the "p" to honor the "heritage while still taking it forward". **Exhibit 1** shows the original and the new logo side by side.

Only hours after the introduction of the new logo numerous negative reactions from customers, media and the design community arose. There were protests and criticism all over the Internet on how Gap could just ditch the classic and iconic logo. Some journalists and marketing specialists called it a "prototypical brand panic move".

Other people shared their opinions on how the new logo represents the Gap values at that time, which were in their minds a sense of being lost and a lack of clear vision and creativity. Overall, Gap received a lot of attention due to the logo change. Not only on the day of the unannounced introduction, but also on the following days there was a lot of talk around the brand and the new logo. The comments and posts on social media exploded as can be seen in a graph illustrated in **Exhibit 2**. As mentioned before most of the reactions were negative which are explained in detail below.

Negative response on social media

"Make your own Gap logo" website
Customers were so annoyed with the unexpected logo change that they created a website where people could design funny versions of the new logo themselves. The website went viral and produced more than 14.000 parody versions of the logo. Some examples are shown in **Exhibit 3** and **Exhibit 4**.

Facebook
Many customers shared their anger with the logo change through more than 2.000 negative comments on Gap's official Facebook page. People not only expressed their feelings on the Gap page itself, but also created groups to build a community of people criticizing the new logo and to reach out to the company. Examples hereof are "I hate the new Gap logo - change it!" or "I think the new Gap logo SUCKS!".

Twitter
A Twitter account @GapLogo was set up by a non-representative of Gap straight after the introduction of the new logo and quickly gained 5.000 followers. The purpose of the account was to meet the criticism of the public in a humoristic way and step into the shoes of Gap since the brand themselves did not respond. Some examples of postings on this Twitter account can be seen in **Exhibit 5**.

The redesigned logo was called, among other things, banal, boring, cheesy, ugly, unsophisticated, uncreative, cheap, tacky, hideous, and ordinary. Following this, taking the role of the head of brand management of Gap how would you answer the following question:

What would be your reaction to the negative responses and what actions would you take?
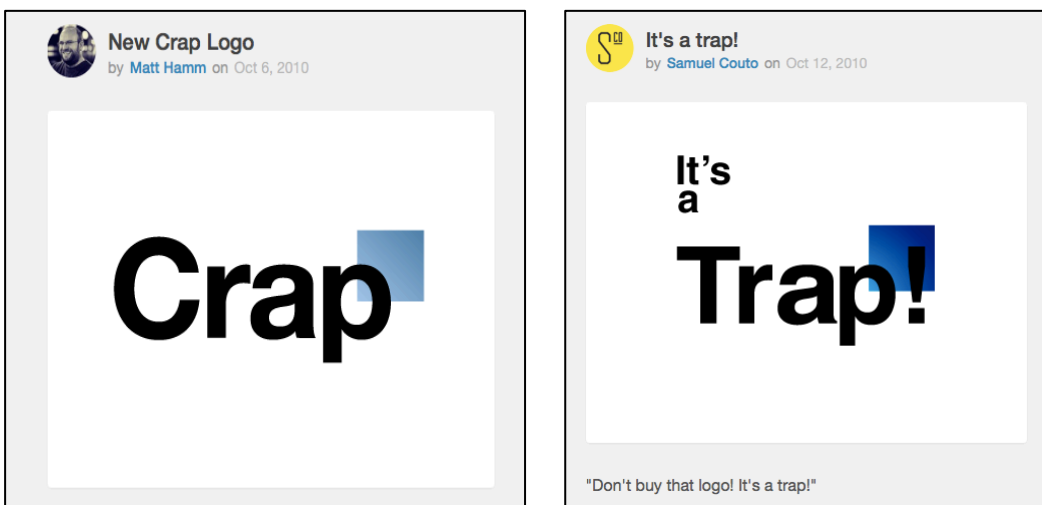

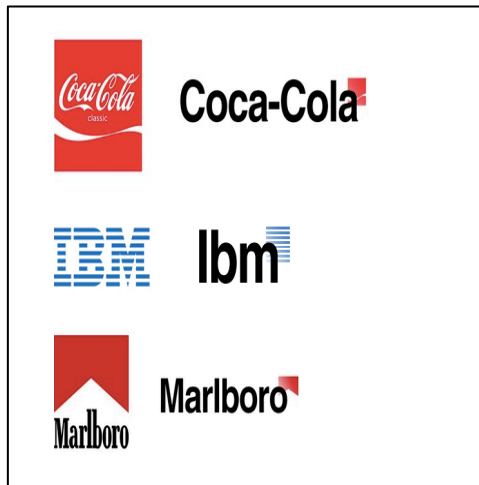
Exhibit 1. The old and the new logo.

Exhibit 2. Illustrating the tremendous increase of comments on social media following the introduction of the new Gap logo on October 4th 2010.
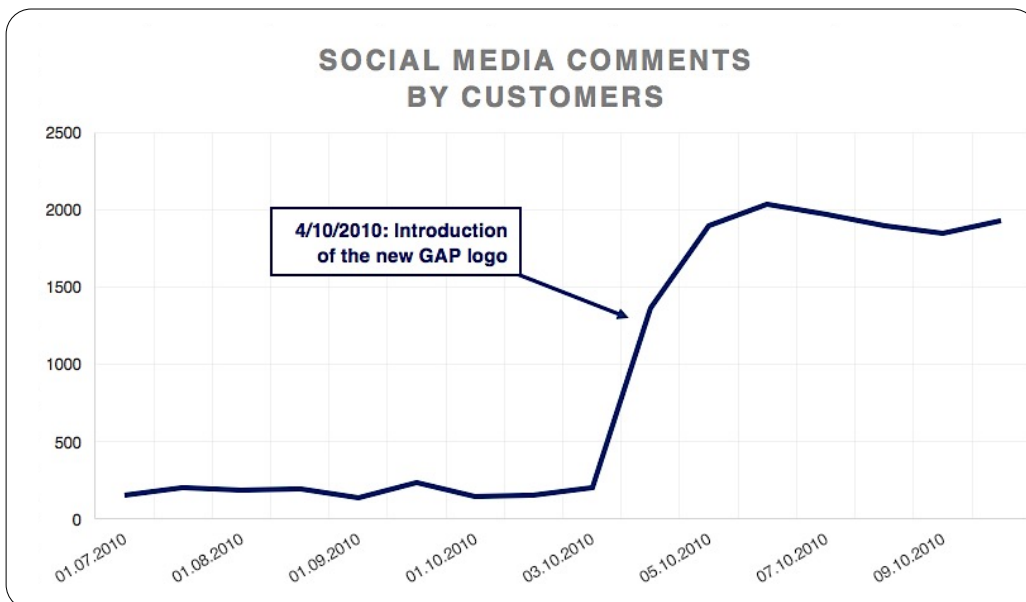
Exhibit 3. Parodies of the new logo.

Exhibit 4. Parodies of Coca Cola, IBM and Marlboro showing the results if these brands would apply the same design strategy as Gap.

Exhibit 5. Several Twitter postings by @GapLogo.