Retail Innovation Shout Out: Gap Blurs Channel Lines with ‘Ship from Store’ Service

by Traci Stapleton

Managing product inventory and distribution is increasingly challenging when keeping up with diverse and varying sales channels. In today's flat world, maintaining product supply in the right place seems an insurmountable feat. Forecasting sales volume by benchmarking like styles, predicting size selling, and attempting to anticipate all of the influences on regional sales allocation - weather, style and color preference, demographic shifts - may bring incremental growth, but produce limited business results.

Gap is redefining the problem by seeing it from a different perspective: the issue is not in the forecasting, it is simply an issue of not having the product in the right place.

Gap Inc’s CEO Glenn Murphy says of their digital strategy that Gap strives “to make shopping seamless to our customers.” Today's consumer is impatient and does not expect to wait for their product to arrive. To combat this, Gap's strategy is to give a select number of stores the capability to receive and ship orders like a distribution center. There are still challenges, including training certain staff differently and accounting for rapidly changing inventory levels. However, this innovative approach to meeting customer demand has enabled the brand to even out inventory levels from stores that have not sold down as quickly, and offset higher than predicted sales at other locations.

This innovative business model and approach to blur the lines between channels has also led to other initiatives that address the same problem. First, Gap built a ‘Find a Store’ function into their e-commerce site, responding to the customer’s desire for pre-shopping online and then visiting the store to touch fabric, try on, etc. Second, Gap offers a Reserve in Store option that will hold a product for 24 hours for a customer to pre-shop and ensure their product, size and color will be available in their store of choice. Several very innovative ways to give the consumer what she wants, when she wants it.

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