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DOLLARAMA SWOT & PESTLE ANALYSIS

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Company Name : Dollarama

Company Sector : Retail

Operating Geography : Canada, North America, Global

About the Company :

Dollarama is a retail network of dollar stores based in Montreal, Canada. The company stores are corporate-owned rather than franchised. The business sells a wide variety of common consumer products, miscellaneous commodities, and seasonal things, all at low set prices. The majority of the company's product offerings are made up of general items and consumer products. The firm's outlets are spread around the country, mostly in handy locations including urban areas, midsize cities, and small towns. Larry Rossy, a third-generation shopkeeper and Canadian entrepreneur, launched Dollarama. It all began in 1992 with a single store in Matane, Quebec, and swiftly developed to become a household name and shopping destination for Canadians from coast to coast over the next two decades. As of 2023, Dollarama is a prominent player in the Canadian value retail sector, currently operating over 1,486 stores throughout the country. The company takes pride in its corporate-owned store model and employs a dedicated workforce of over 25,000 individuals.

Dollarama's USP or unique selling proposition is that it operates the largest chain of dollar stores in Canada, with over 1,486 outlets across all ten provinces. The mission statement of Dollarama reads, "To provide customers with compelling value. Our goal is to exceed customer expectations through the quality and variety of products we offer at select, low fixed price points".

Revenue :

CA\$ 5.052 billion - FY ending 29th January 2023 (y-o-y growth 16.7%)

CA\$ 4.330 billion - FY ending 30th January 2022 (y-o-y growth 7.5%)

CA\$ 4.026 billion - FY ending 31st January 2021

SWOT Analysis :

The SWOT Analysis for Dollarama is given below:

Strengths	Weaknesses
<ul style="list-style-type: none"> 1. Leading Canadian value retail brand 2. Issued unsecured notes with good credit rating 3. Competitive edge due to lower prices, scale and differentiated concept 4. Low cost of operations due to cheap sourcing from foreign vendors 	<ul style="list-style-type: none"> 1. Impact of COVID-19 on business 2. Large number of store closures in Quebec 3. Heavy reliance on single-distribution center
Opportunities	Threats
<ul style="list-style-type: none"> 1. Expanding further into unpenetrated Canadian market 2. Increasing shareholder returns to attract more investors 3. Increasing digital presence through online store and app 4. Dollarcity offers several avenues for business growth 	<ul style="list-style-type: none"> 1. Lower volume of business compared to similar US companies 2. Disruptions in supply chains due to pandemic 3. High competition from discount stores and mass merchants

PESTLE Analysis :

The PESTLE Analysis for Dollarama is given below:

<p style="text-align: center;">Political</p> <ol style="list-style-type: none"> 1.Canadian provinces increased statutory minimum wage 2.Impact of geopolitical tensions on business operations 	<p style="text-align: center;">Economical</p> <ol style="list-style-type: none"> 1.Weaker economy leading to lower consumer spending 2.Strengthening of Yuan following China's economic recovery 3.Sales surge by over 20% amidst rising inflation
<p style="text-align: center;">Social</p> <ol style="list-style-type: none"> 1. Rising consumer demand for value-oriented merchandise 2. Growing demand for cleaning products post-pandemic 	<p style="text-align: center;">Technological</p> <ol style="list-style-type: none"> 1.Adopting AR (Augmented reality) technology to improve shopping experience
<p style="text-align: center;">Legal</p> <ol style="list-style-type: none"> 1.Adoption of IFRS 16 to replace IAS 17 2.Vendors must comply with Dollarama Vendor Code of Conduct 3.Environmental compliance and future liabilities 4.Regulatory environment and compliance 	<p style="text-align: center;">Environmental</p> <ol style="list-style-type: none"> 1.Strong focus on building a sustainable business 2.Policies to combat climate change adopted by Canadian government

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