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## COSTCO WHOLESALE CORPORATION SWOT & PESTLE ANALYSIS

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Company Name : Costco Wholesale Corporation

Company Sector : Retail

**Operating Geography :** United States, North America, Global

#### About the Company :

Costco Wholesale Corporation and subsidiaries, operational since 1983, is a warehouse company with operations in eleven countries. The company is headquartered in Issaquah, Washington, United States and has over 288,000 full and part-time employees worldwide as of 2021. With 750 warehouses in hundreds of locations across the globe, Costco provides a wide selection of merchandise, plus the convenience of specialty departments and exclusive member services, all designed to make shopping experience a pleasurable one. This American multinational corporation stock and sell quality, brand name merchandise at considerably discounted pricing than are conventionally available at other wholesale or retail sources. The business model of Costco revolves around helping small-to-medium-sized businesses scale down cost prices for resale and for everyday business use. Individual members are also permitted to buy in bulk for their personal use. This cash and carry retailer's primary goal is to sell products at low prices, often at very high volumes. Costco has announced its summer expansion plans to open new stores around the world, with up to 28 new warehouses expected to open by 2022, including 10 that will open in the coming months.

Costco Wholesale Corporation's USP or Unique selling proposition lies in being the largest American membership-only warehouse club. The mission statement of Costco is: "To continually provide our members with quality goods and services at the lowest possible prices".

#### **Revenue :**

US \$195,929 million – FY ending 29th August 2021 (y-o-y growth of 18%)

US \$166,761 million – FY ending 30th August 2020



#### SWOT Analysis :

The SWOT Analysis for Costco Wholesale Corporation is given below:

Strengths	Weaknesses
1.First mover advantage	1.Dependent on the operations in the U.S and
2.Operational and supply chain efficiency.	Canada
3.Strong Brand value	2.Wafer thin profit margins
4.Commitment to Quality	3.Unattractive displays with low convenience
5.Broad Range of merchandise	to customer.
6.Private label brand	4.Limited offering of Merchandize
Opportunities	Threats
1.International expansion	1.Intense Competition
2.Increasing member base	2.Fluctuations in Foreign Exchange Rate
3.High growth potential through strategic	3.Reputational harm due to lawsuits filed over
alliances	its treatment of chickens



#### **PESTLE Analysis :**

The PESTLE Analysis for Costco Wholesale Corporation is given below:

Political	Economical
1.Impact of changes in tariffs	1.Effect of fluctuations in US and Canadian
2.Effect of Tax Cuts and Jobs act	economy
	2.Exchange rate fluctuations
	3.Disruptions in the supply chain due to
	Covid-19
Social	Technological
1.Low unemployment levels	1.Omni channel opportunities
2.Buying preference shift of millennials	2.Digital payments is a growing payment mode
3.Growing acceptance of Private labels	in retail
	3.Internet of Things can be the future of Retail
Legal	Environmental
1.Legal Disputes related to product safety	1.Impact of climate changes and natural
2.Intellectual property rights and trademarks	catastrophes
	2.Concern on environmental issues

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