



Retail Supply Chain Update

September 9, 2020

Costco reports double-digit sales growth for August, Q4

- Costco Wholesale this week reported across-the-board, double-digit comparable sales gains for August and gave a peek at year-end results.
- For the four weeks ended Aug. 30, net sales climbed 15% to \$13.56 billion from \$11.79 billion a year earlier.
- Costco's overall comparable-club sales for August jumped 13.2% year over year and were 14.5% excluding the impact of changes in fuel prices and foreign exchange rates. By business unit, comp sales rose 12.5% in the United States (14.3% excluding fuel and forex), 14.6% in Canada (15% excluding fuel and forex) and 16.1% internationally (15.4% excluding fuel and forex). E-commerce sales soared 101.9% on a comparable basis (101.6% excluding forex).

Walmart to test drone delivery of grocery, household items

- Walmart said on Wednesday it would run a pilot project for delivery of grocery and household products through automated drones, along with end-to-end delivery firm Flytrex, as the U.S. retailer looks to beef up its delivery business.
- Bentonville, Arkansas-based Walmart said the test would start on Wednesday in Fayetteville, North Carolina, with cloud-controlled drones picking up and dropping off select items.
- The company has accelerated the expansion of its pick-up and delivery services in the face of the Covid-19 pandemic, as virus-wary consumers increasingly prefer having items delivered at their doorsteps.
- "We know that it will be some time before we see millions of packages delivered via drone. That still feels like a bit of science fiction," Tom Ward, senior vice-president, customer products, said in a statement.

Amazon Creates Its Own Black Friday

- Amazon has told its sellers that "Black Friday" deals will start on Monday, Oct. 26.
- According to Tamebay, an Amazon seller news site, Amazon Early Black Friday Deals will start and run through Nov. 19. There will be three weeks of Amazon Early Black Friday Deals with different products on special offer each week. The traditional "Black Friday" falls on Nov. 27 this year; Cyber Monday is Nov. 30.
- "This means that Amazon will pretty much have sales events running for two entire months. We're still expecting Prime Day to fall in the first week of October and barely a three weeks later the Amazon Early Black Friday Deals will kick off," says Tamebay.
- The site also reports that Early Black Friday Deals will be available to all consumers, not just Prime Members or consumers who sign up for Prime subscriptions and video. It

could be that Amazon is using the month of October (and early Black Friday deals) as much as a revenue generator for itself as for its sellers.

- If Prime Day is indeed announced for Oct. 5, as rumored, it will essentially kick off the retail holiday season. Walmart, Target, Best Buy, Costco, Macy's and Nordstrom have already committed to starting the season in early October this year.