

## Costco's Unique Business Model

Costco is a warehouse club that offers wholesale prices to its members. Its stores are designed to draw customers in and keep them shopping longer by using treasure hunt retail psychology. By constantly introducing new and interesting deals, customers are encouraged to explore and buy more products. Despite stocking fewer items than most supermarkets, Costco's items have a reputation for quality and low prices. The in-house brand, Kirkland, makes up a quarter of Costco's annual sales and has built a reputation for offering high-quality products at lower prices. Costco's commitment to low prices and customer loyalty helped the company remain strong during the pandemic. Costco prefers customers to come into its stores to shop, as it leads to more impulse buys, which is cheaper than online shopping.

## Starbucks' Mobile App and Gift Cards

Starbucks' mobile app and gift cards play a significant role in the company's bottom line. The company generates revenue from the value loaded onto gift cards, even before a single product is purchased. Starbucks' mobile app is also essential to its continued evolution, allowing customers to order ahead and skip the line. Starbucks' early years were marked by slow expansion within Seattle, but it was not until Howard Schultz took over that the company expanded rapidly. Today, Starbucks is a global coffee giant, known for its handcrafted beverages. Despite the complexity of its drinks, Starbucks continues to draw customers in with its unique coffee house culture.

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