

Sujet traité : Costco est le hero dont les États-Unis ont besoin maintenant / Costco is the hero America needs right now

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## Opinion Costco is the hero America needs right now

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The retail giant truly is a miracle of capitalism.



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The Costco Wholesale in Arlington. (Shawn Thew/EPA-EFE/Shutterstock)

All hail Costco, the hero America needs right now.

The warehouse shopping club, known for its bulk toilet paper and cheap gas, made an important proclamation last week: Its iconic hot-dog-and-soda deal shall remain at \$1.50, where it's been for the past four decades.

In this polarizing moment, when Americans have been worn down by inflation, Costco's commitment to low prices should warrant praise from all political corners.

Curiously, some Democrats still consider Costco a useful whipping boy, because they've decided any corporation that's "big" must automatically be bad. At a recent hearing, Sen. Elizabeth Warren (Mass.) named Costco as among the "giant grocery stores and massive food conglomerates" responsible for "ripping people off." One of her star witnesses, the owner of a gourmet market in Brooklyn, then confusingly testified that the real problem was that Costco wasn't charging consumers *enough*.

Last week, other lefty groups joined in on the Costco-bashing, accusing the company of "greed" and "unnecessarily squeez[ing] American families," because they think the company's strong profits mean it should be cutting prices.

Look, if you're blaming Costco for inflation, you might have lost the plot. The company has famously low pricing, with among the lowest product markups of any major retailer out there, according to TD Cowen Managing Director Oliver Chen. That's why the company enjoys an almost cult-like following.

An economist recently sent me pictures from his family photo shoot, staged at the store's entrance shortly after his son was born. ("Costco has been with us every step of the way," he explained.) Last year, I attended a wedding at which the couple featured the store in their vows. ("I vow to push your wheelchair through Costco if you ever become too frail to walk.")

Those who know me well know I'm also among Costco's hardcore evangelists. That's partly because I'd crawl over glass for its rotisserie chicken. (The juicy bird, at just \$4.99, is its own cultural phenomenon.) But more broadly, I love Costco because it's a marvel of capitalism.

It's a place where you can buy almost anything (albeit in comically huge quantities) at both high quality and jaw-droppingly low prices: Sheet cakes that serve 96 people. An eight-foot teddy bear. Gold bars. Caskets. Giant inflatable sea serpents. Wagyu beef. A lifetime supply of string cheese. Diamond earrings. An entire barn.

As one viral tweet reimagined the origin story: "founder of costco: [drunk as hell] it's gonna have hot dogs and optometrists."

Ah, yes, those legendary hot dogs. They're a loss leader, but they're symbolic of the value consumers derive from their warehouse runs and why Costco's annual membership fees are worth it. (The fees account for most of the company's profits because markups on products are so low.) Costco's co-founder once told a CEO who proposed increasing the hot dog price: "If you raise the effing hot dog, I will kill you. Figure it out."

Costco's customer base skews higher-income but is diverse in other ways. For instance, Asians and Hispanics are overrepresented among Costco shoppers, according to consumer analytics company Numerator. The store is also beloved among immigrants, whose home countries often lack the sparkling abundance displayed on Costco shelves.

The chain "epitomizes the American dream," explains Numerator's chief economist, Leo Feler. "When my family immigrated to the U.S. from Brazil, we were awed by Costco. And when we would get visitors from Brazil, they would want to go to Disneyland and Costco."

Costco, which ignored my requests for interviews, does have its limitations. Though the store offers a wide *variety* of product categories, there are typically only two or three options *within* each category. That is, you can choose the normal toaster or maybe a slightly fancier one. You can buy the blue bathmat or the white one.

Want a different model or color? Too bad. That's not what Costco is for.

For someone like me, this limited selection is actually ideal. For purchases large and small, I tend to read every review for every possible option before giving in to choice overload and putting off the purchase altogether. But at Costco, I can outsource my decisions to the store's excellent judgment. For any given product category, Costco's corporate shoppers reliably curate, say, the 75th percentile in quality, sold at roughly the 25th percentile in price.

The downside, of course, is that consumers must buy stupid-large quantities of everything. Which means if you live in a 650-square-foot apartment, you might or might not have room for an entire "paper product corner."

Beyond its service to consumers, Costco has also been hailed for its treatment of workers. For this reason, Costco was once beloved by Democratic politicians, so much so that it was a well-worn photo-op backdrop for President Barack Obama and Vice President Joe Biden. The warehouse superstore was considered a model corporate citizen because it offered high wages and generous benefits and still somehow managed to be profitable and phenomenally popular. The wholesale club was proof of concept, Obama said in 2013, that treating workers well "isn't just good for their business, it's good for America."

Those were simpler times, alas. I hope in this era of national strife, we can all come together and celebrate the one American value that unites us all: the pursuit of a really good bargain.