

Title: RC Santa Claus?

Author: disoriented_llama

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Body:

Hello Apes! I'm a guy who worked on Satori a bunch.

Disclaimer: This is going to be my thesis on the primary reason why I am bullish on GME as a company in both the short and long term. Do your own research, check my logic, and remember that this is not financial advice.

With that in mind, HOLY SHIT HOW HAVE I FORGOTTEN THAT THE HOLIDAYS ARE THE ABSOLUTE BEST TIME FOR BOTH RETAIL AND VIDEO GAME EARNINGS!

TO THE STEGASAUROS OF REVENUE!

GameStop specifically has ALWAYS had a significant presence in the Holiday markets. Let's take a look at just how significant the Holiday season has been to the company over the last 20 years or so.

To begin, I'm using a free subscription to an investment site to access this data. The numbers should be easy enough to find to verify, but I don't want anyone to feel like they have to grab an account anywhere.

That in mind, LOOK AT THIS SHIT

[ANYONE WANT TO GUESS WHICH AREAS COINCIDE WITH Q4?](<https://preview.redd.it/guytxcys5zk71.png?width=1235&format;=png&auto;=webp&s;=cec62c132ebf79ff4b764e10339b7939a82e08ea>)

Honestly, that chart can give you all the information you'd need, but lets dive into the specific numbers here really quick.

Q4 and the holidays have been the highest dollar revenue quarter for GameStop every single year since 2001. In fact, since January '06 (which happened to be the launch year of the XBox360 and PS3), 14 of the 15 Q4 revenues have been higher than every other quarter the company has had.

As important there, is the fact that approximately 40% of annual revenue is generated in Q4. (thanks u/sharkbaitlol) This is ESPECIALLY true in years post console launches. The largest jumps in revenue in the past 20 years have come the year after console launches, when production and industry support have caught up enough to supply. It happened in 2006, again in 2014, and we're right on pace to have that hit again this year. HARD.

The Q4 surge is a well observed phenomenon within the retail industry. All of GameStops direct competitors show the same pattern. I'd include charting for all of them, but honestly it's enough of a given that if you want it, you can go find it yourself. Amazon, Best Buy, Walmart, Microcenter, NewEgg. The gaming companies themselves also show it. Nintendo, Sony, Microsoft, Sega, Blizzard/Activision, EA, Valve. They all have spikes around product launches, etc, but the reliable money maker for them every year is Q4.

I hope I'm driving home a point of how absolutely fucking charged and vital Q4 is to this specific company. The holiday gift giving market is only getting bigger, and video games are continuing to dominate the wish lists of EVERYONE.

It is, therefore, absolutely logical to expect that this company is going to continue in that vein, especially considering the fact that consoles and graphics cards remain as rare as they are. Demand is so high.

So why do I bring this up?

The Long Con

Ryan Cohen got on the GameStop train last year at this time. Within months he'd written a letter outlining his lack of belief in the current company model and expressing a desire to see significant changes in order to save the company.

Within 8 months he's chairman of the board of GameStop, and is assembling an absolutely insane team of talent around him in order to rebuild the company.

What do you imagine those first few meetings were like? You're 4 months into the year, with a dearth of new game releases due to the pandemic, a shortage on consoles, a maybe even worse shortage on PC parts, with nothing coming on the horizon to send any sort of significant waves through the industry. Highlights? Yes. Paradigm shifting events? No.

You've got to overhaul your business structure, expand your online presence, increase your distribution facilities, develop some serious proprietary tech (allegedly), and potentially rebrand the company, all while trying to also juggle managing things as they are. That's a LOT of work to get done, and it's not going to happen immediately.

So where do you set your goal for your breakout performance? You lean into your strengths. Time to make this the greatest holiday season to remember.

Everything lines up. Your distribution is in place. You've given yourself the time to build the company up and do it right. You're increased online presence is cemented and secure.

Enter the Apes.

As Chairman of GameStop, you KNOW you've got a loyal following. You've been pulling memes off Superstonk and tweeting them. You've been dropping hints and motivation for months.

[JUST REALIZED THIS HOLY SHIT HOW DID I NOT SEE IT BEFORE HE'S LITERALLY THE CHRISTMAS POO](<https://preview.redd.it/iyxq6g4x5zk71.png?width=755&format=png&auto=webp&s=867d8c385426e566a9da1f6f2a51abffd847a84f>)

The big issue at this point? If your incredibly loyal primate customer base has any wrinkles at all, they are going to keep their money invested in your stock this coming season. Some will be able to afford to still gift give, but many (myself included) are going to double down on purchasing shares for the delayed gratification of being able to give anyone I want whatever I want.

So what do you, Mr. Chairman Cohen, do?

You line the pockets of your customers with the sum total of the entirety of the US Stock Market. And you do it before the holiday gift buying season gets anywhere close to full swing. Get them safely, money in hand, secure, invested, with their futures and new wealth figured out, just in time for Black Friday. And then, you let them loose.

Can you IMAGINE the amount of gifts that can and will be purchased post MOASS for this Christmas? GameStop would sell stores and warehouses completely out. There wouldn't be anything left.

[But seriously tho.](<https://preview.redd.it/6gbunirz5zk71.png?width=699&format=png&auto=webp&s=3a8ef972b9a63b704cefe9bd4885a7439aee6a5d>)

And it's that simple at this point.

Gamma Squeezes have NOTHING on what's about to go down.

Apes get millions of tendies. They each take thousands of those tendies and buy gear, tv's, furniture, consoles, and games. Each of those thousands of dollars provides long term value to the company, which continues to supply Apes with money, who buy enough product to keep the earnings up. (I remember a post a few months back about the ratio of money spent at the store into stock valuation. Can someone help me here?) Rinse and repeat, for basically fucking forever. Starting October.

This leads me to a few really quick points.

1. They would want this to happen early enough that we can all get finances in order to be able to spend at the store. That means it ain't gonna be the day before Thanksgiving. Cushion time would be key here.
2. I had a talk with a store manager the other day, and asked why we haven't seen GameStop branded gear in stores, but only online. They remarked that they knew there was a massive amount on its way soon, but that that online was the only place right now. A GameStop t-shirt or hoodie is going to be the item of the year for the holidays. So why aren't they available in store right now? Could it have something to do with a potential rush restocking of a new line of apparel with updated graphics all to be sent to stores just in time for a post-Moass holiday launch?
3. Look specifically at what information GameStop Corporate has put out as a company about what it's moves have been. We've had hiring news, stock offering news, debt payoff news. But other than that, there's been nothing. EXCEPT! You'll recall two separate releases highlighting the company's newly leased fulfillment and distribution centers. Significantly increased product holdings, quicker and more immediate availability and shipping, and, perhaps most importantly, the ability to have SIGNIFICANTLY more product on hand. Why is THAT the news they've decided to lay as their foundation for the move forward, and absolutely nothing else?
4. GameStop has taken great strides in mitigating the lack of foot traffic that may still be an issue this year. It's been widely accepted as the greatest weakness of the brick and mortar model. So what do they do? Overhaul their online offerings, quintuple down on distribution and speed of delivery, and streamline their ordering process. It's potentially the greatest online shopping experience possible.

[uVbradduck_flyntmoore get it. Also this counts as his third meme posting, in accordance to the Challenge of the MemeLords](<https://preview.redd.it/u66hbdg26zk71.jpg?width=500&format=jpg&auto=webp&s=6e134b23643c239eb4632d03a32082d9f479a492>)

Everyone involved at the highest levels of GameStop at this point is aware of this. They know that the company's greatest time to shine is holiday revenue. That gives us a pretty solid justification as to why we haven't seen or heard ANYTHING about a plan. Because they know where their strengths are. And they're utilizing the established cycle of holiday sales to ramp everything up. Why trickle your updates out over months and months? Just hit it all simultaneously, right when your best customers get the equivalent of an infinite money glitch and you're the only shop in town that they'd allow themselves to shop at. You think some items are sold out now? Just wait until hundreds of thousands of Apes are buying games, consoles, furniture, tv's, and pc's for everyone they know. Once that boulder gets rolling, watch the fuck out.

[MEMELORDS BOW BEFORE HIM BECAUSE Uvbradduck_flyntmoore IS A GOD](<https://preview.redd.it/x60ym2n46zk71.jpg?width=798&format=jpg&auto=webp&s=23352802299c0907a23975fca5c46f47c093b82f>)

BUT HERE'S THE BEST FUCKING PART

We here on r/SuperStonk recently have liked to focus a whole lot on the ups and downs of the price of a share of \$GME. Or the sidewaysing of the price, as the case may be. We've been trained to think of this situation in terms of shares and stock value. While that's valuable, I think we've done ourselves a disservice in limiting our scope to just that. We're working with company whose professed desire is to

delight their customers. Not shareholders. Customers. And this company has managed to find a way to have those two groups be almost completely overlapping circles on a Venn Diagram. So while we have been so focused on the immediate next step of stock value, Mr. Cohen and he's team have been planning PAST that. They have the data. They KNOW that things are going to explode. And so they're spending their time making sure that everything is in place to handle all that cash coming their way after all of this.

And what is the most delighted a customer can get? For me, it was getting the gift of a GameCube at 16. The first console I ever personally owned. I was in our local GameStop beaming the day after, gift card in hand. Overjoyed, because I loved video games.

You want the best way to cement yourself as the greatest company of all time in the eyes of your customer base? You set your base up with the ability to throw \$100 dollar gift cards around like Halloween Candy. You give them the power to buy a TV and console for every kid, not just in their family, but their neighborhood. You set them up to have the absolutely most magical holiday experience of their lives by allowing them to share their wealth, love, and care with those around them. Because the memories are what will truly be delightful.

Imagine the trickle down. The amount of money freed up to do everything and anything else. The level of Ape spending for the holidays could singlehandedly jump start the economy, and a large chunk of that money will go directly to GameStop.

Ryan Cohen runs a video game retail company. He's managed to find himself at the forefront of what could be the greatest financial turnaround that will ever exist in history. He deserves every bit of credit as to what he is doing in that. But I don't think that's his focus. Ryan Cohen has been telling us his strategy all along. And he's been doing what his dad taught him.

[Well we did do the chair... And the hat... Credit to u/stonk_sandwich and u/Buttfarm69](<https://preview.redd.it/ytg7wyi66zk71.jpg?width=420&format=pjpg&auto=webp&s=e0c11f864a5b772366684d53666b01aef006a781>)

That's his focus. That's what he's doing. Is it about the stock? Yes. Absolutely. But not simply for the stock's sake. He's not doing this to delight his shareholders. He's doing it to delight his customers. We're just fortunate enough that they're almost entirely the same people.

The stock is a means to an end. And that end is a delighted customer base, who gets to share their joy and success with those around them. It will be a catalyst for change for years to come. But even just 3 months from now, it's impact is going to be felt in very acute ways. Opening gifts with their families and friends, sharing that wealth at the time of year that is almost universally revered as a time of charity and generosity.

And he's doing it while leveraging the strengths of your company.

RC has will accomplish this all by caring about and taking care of his customers, and doing right by his father. I know my opinion may not matter at all on this specific matter, but I think Papa Cohen would be pretty damn proud.

To conclude, why is this considered a DD?

We use DD at this point to describe in depth research into the movement of the stock price. We see masters line u/Criand, u/atobitt, and a fucking host of others who have poured hours into analysis of the stock, the laws and regulations around it, who have unearthed the monumental level of greed and corruption that our system contains.

That, however, has not been what DD has meant traditionally. It hasn't been about predicting world shattering market shifts. It hasn't been about reading through the entirety of legal publications and regulations to try and figure out what date margin requirements for financial institutions change. Previous to this movement, doing you "Due Diligence", at least most of the time, was simply presenting a solid,

historically based, researched, and informed take as to why you are setting a thesis on an investment choice. Generally, with our online community of degenerate primates, that thesis would be bullish, and would be based in the fundamentals of a company, ie demand, what their product offerings are, and (importantly) what events are on the horizon that look to provide a boost to the companies profits, and the historical evidence of that on a cyclical nature.

Look at the info that u/deepfuckingvalue has published for us. It's not FINRA and the SEC. It's been about what this company does well, and how and why he believed that could leverage those strengths for further gain. Yes, he acknowledges the stock price and value, but only in comparison to the overall valuation of the company, and the giant spread between what he's seen it's value to be based on the fundamentals and the actual value of the stock. And nothing is a greater strength for GameStop than the holiday gift giving cycle.

I can think of no greater bullish sentiment for GameStop specifically than knowing they're a month away from their historically best quarter of the year, sitting on 2 billion in cash, two new massive distribution centers, and a team of retail and online specialists who are absolutely aware that the best ramp to launch their own ship is built on the back of a stegosaurus that peaks every. 4th. Quarter.

Of course our absurdly star studded and capable team knows that. They're not in the business of regulations and the markets. They're in the business of being a video game (and video game adjacent) retail platform. Do they expect to increase value for their investors? Absolutely. The question is HOW?

As much as we may want them to focus on the price of the stock, and make statements and news releases that excite investors and draw FOMO, I don't think it was ever going to be their play. And it took me this fucking long to realize that I was focusing on the wrong thing. How is a customer delighting video game company going to increase it's value for shareholders? By cornering the holiday gift giving market, and ensuing that their customers have cash on hand to buy whatever the fuck they want.

These next statements are conjecture, but make absolute sense to me.

- * That's why they haven't announced plans.
- * That's why they haven't revealed anything.
- * That's why we're haven't seen a massive shift in product offering at the retail store level.
- * That's why we RC's playing close to the vest.

Because they know that they've got their own historically patterned nitrous system sitting there waiting to provide them the greatest 4th Quarter in company history. Fuck it, potentially MARKET history. And it would be incredibly dumb of them not to leverage it. They didn't need to make immediate or big moves. The company is debt free, with as much hype as a company has ever had. So use the natural flow of time to ensure you've got some deep fucking value coming.

And to me? That due diligence makes me like the stock. So I'mma buy some more.

Fin.

A few quick notes and pieces of needed assistance. I would love some additional supporting details here. I'm linking Ryan's Letter to the Board below, as well as the transcript of the Shareholder's meeting. I'd appreciate any help I can get in trying to view releases, statements, and the like through this lens. Please start looking at everything we've seen with Q4 in mind, and see what we come up with.

[RC Letter to ShareHolder Fall 2020](<https://www.sec.gov/Archives/edgar/data/1326380/000101359420000821/rc13da3-111620.pdf>)

[Transcript of RC Comments at Shareholder Meeting](<https://gmedd.com/transformation/ryan-cohen-at-ag-m-we-ushered-in-a-whole-new-era-of-gamestop/>)

Further, I think now would be an absolutely fantastic time to have someone do a lot of digging into the

gaming market in general, the trends in revenue, the amount of growth over the last 20 years, and prognostics about where it's heading. u/sharkbaitlol has done some great work in previewing the potential tech events coming. Can you imagine an NFT marketplace launching just in time for Christmas? More eyes on this would be so helpful.

TLDR: GameStop makes ~40% of their revenue in Q4 annually. THAT is what the company is building toward this year. Get the foundation built, then reveal it all in the holiday season where they already have a history of success. It goes to follow that Cohen and company would want to have Apes have as much cash on hand heading into the holidays as possible.

Update: Edit, Formatting and a word.

Update 2: Completely forgot to add in they're already grooming us to corner the Holiday market. Supply issues keeping consoles unavailable? GameStop Pro membership gets you priority access. Need that launch gift for your kids? Pre-order as a pro member. for bonuses and special features (see Pokemon pins.) It's already starting.

Update 3: I've had several people bring up potential supply chain issues, but just as many people offer the solution that is the potential digital marketplace. While consoles and the like will still have issues, any content that can be sold digitally will still be up for grabs, and if it's heading the direction we think it will, with all the same perks and the like of physical copies. Completely skirts the supply chain issues for many products.