

Title: Follow up on GME costs and why BBBY may have RC intrigued

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I'll make it short.

I had a post a while back comparing operating costs between Amazon, GME, BBBY and Wal-Mart. Someone requested that I include CostCo. I did that but also included Target and Chewy. Here are the results:

[Operating Cost Comps for GME](<https://preview.redd.it/7fls2ynoaka91.png?width=1351&format=png&auto=webp&s=5f7ae6b0b99872d9065a27f4a03009422a24a10b>)

A couple observations:

\- Chewy and GME have almost the exact G&A;! It is clear why: these companies are tech heavy retailers that invest for growth, primarily thru technology staff. Both company's' strategy is to diminish the impact of a SG&A; with revenue growth.

\- Interestingly, BBBY seems to have a similar profile. Very high SG&A.; But I think the SG&A; is high because of leases, not technology spend. Which really makes you wonder if there's anyone out there that can spend \$ wisely on technology in the retail space...anybody want to guess who that might be?

\- I wonder if RC looks at the gross margin that BBBY enjoys, the highest of the retailers at 31.6%, and just wonders if he could just get in there and make an impact. RC is about growing the topline and investing heavily in tech. BBBY seems like a place that strategy would be uniquely suited. It really bolsters the speculation that BBBY would make an interesting acquisition target.

Think about it. If RC is sitting in driver's seat at BBBY, for every product he sells, he gets a larger share of \$. That larger share of \$ is allocated to technology to increase sales...thus ensues a virtupus cycle... something RC knows how to do.