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## **Stella Minahan**

Deakin University  
Deakin Business School  
Burwood Victoria 3127  
Australia

Phone : + 61 3 9244 5521  
Fax : + 61 3 9244 5533  
Email : [stella.minahan@deakin.edu.au](mailto:stella.minahan@deakin.edu.au)

## **Pat Huddleston**

Michigan State University  
Advertising, Public Relations and Retailing  
Michigan State University  
370 Communication Arts  
East Lansing, MI 48824  
USA

Phone : (517)353-9907  
Fax : (517)432-2589  
Email : [huddles2@msu.edu](mailto:huddles2@msu.edu)

## **Constanza Bianchi**

Queensland University of Technology  
Faculty of Business  
Advertising, Marketing and Public Relations  
GPO Box 2434, Brisbane QLD 4001  
Australia

Phone : + 61 7 3138 1354  
Fax : + 61 7 3138 1811|  
Email : [constanza.bianchi@qut.edu.au](mailto:constanza.bianchi@qut.edu.au)

## **Costco in Australia : Year 1 Case Study**

Costco is ranked 9<sup>th</sup> in the U.S. National Retailers' Federation global retailers list for 2009. Costco uses a cash and carry, warehouse membership format. The company has entered several international markets including the UK, Japan, Mexico, Canada, Puerto Rico, Taiwan and South Korea.

This year Costco established a cash and carry warehouse membership club in Melbourne, Australia. This retail format is not often implemented and has rarely succeeded.

Our case study commences with an overview of the Australian retail scene and then reports on Costco's first year in Australia. We explore its entry strategies including adaptation versus standardization. Consumer responses to the new format are discussed. To conclude we present some of the responses of Aldi (ranked 10<sup>th</sup>) and Woolworths (ranked 22<sup>nd</sup>) to the new competitor.