

- Sam's Food Truck—7.
- Costco Exclusive Formula—7.
- Costco May Sales—8.

1 For 25 years, your best source for information about the clubs.

Department Analysis – Softlines, HBA, Sporting Goods, Books, Office, Alcohol

One of the best ways to understand club buying and merchandising strategies is to analyze the departments and categories that are stocked at BJ's, Costco and Sam's Club. *WCF* divides the entire list of club departments and categories into four groups. Each group is analyzed approximately every 12 months.

Those groups include: general merchandise "a" (automotive, home goods, majors and sundries), general merchandise "b" (softlines, health and beauty aids, sporting goods, books, office and alcohol), dry grocery and candy and perishables (cooler, freezer, deli and fresh foods).

This article analyzes the softlines, health and beauty aids, sporting goods, books, office and alcohol (see picture on the right from Costco of a variety case of twelve 375-milliliter wine bottles with five white, four red and three rose from Hello Summer for \$49.99) categories. The article is divided into the following four sections: sales estimates, item data background, end caps and category observations.



Sales Estimates

The item, category and department sales information throughout this article are calculated using a combination of objective and subjective data. That background data includes: annual worldwide company sales, category sales and category sales penetration. This background data enables *WCF* to estimate department and category sales for each warehouse club operator.

Annual Worldwide Company Sales – Costco reports worldwide monthly sales, Sam's reports United States sales quarterly and *WCF* estimates its international business and BJ's reports national sales quarterly. Each warehouse club's sales data is converted to an annual worldwide figure for an "apples to apples" comparison.

Category SKUs – On an annual basis in January, *WCF* reports on the current SKU counts (at the time) in every category at each of the three clubs. The SKU data from these category and department analyses are always compared to the annual SKU data from the previous January to make sure it is "in line", otherwise, the SKU counts are reconfirmed.

Category Penetration – *WCF* has been estimating a category's percentage of sales (penetration) since 1997. There are three important points to understand about these figures. First, the club operators do not share detailed category penetration information. Second, BJ's, Costco and Sam's Club report overall department penetration figures in their annual reports. *WCF* "ties" its individual category penetration estimates to the reported figures for each club making sure that, in a general sense, the estimates are based on objective data. Third, our estimates are constantly updated based on vendor feedback and *WCF* research.

Department Sales – The chart below provides 2020 calendar year worldwide department sales estimates (in millions)

2020 Worldwide Sales	BJ's (219 clubs)				Costco (803 clubs)				Sam's Club (826 clubs)				Industry	
	Sales (million)	Pct	SKU	\$/Week/ Club	Sales (million)	Pct	SKU	\$/Week/ Club	Sales (million)	Pct	SKU	\$/Week/ Club	Sales (million)	Pct
HBA	\$472	3.1%	668	\$62	\$2,760	1.6%	347	\$190	\$1,484	1.7%	377	\$92	\$4,716	1.7%
Office, Books	\$630	4.2%	437	\$127	\$9,053	5.3%	267	\$812	\$4,468	5.0%	559	\$186	\$14,151	5.1%
Seasonal, Sports	\$220	1.5%	284	\$68	\$4,571	2.7%	105	\$1,043	\$1,701	1.9%	144	\$275	\$6,492	2.4%
Softlines	\$769	5.1%	572	\$118	\$10,613	6.2%	479	\$531	\$3,636	4.1%	760	\$111	\$15,018	5.4%
Tobacco, Alcohol	\$607	4.0%	576	\$93	\$6,238	3.6%	206	\$725	\$4,295	4.8%	172	\$581	\$11,140	4.0%
Department	\$2,698	18.0%	2,537	\$93	\$33,235	19.4%	1,404	\$567	\$15,584	17.4%	2,012	\$180	\$51,517	18.7%
Company	\$14,992		5,810	\$204	\$171,450		3,643	\$953	\$89,531		4,633	\$379	\$275,973	

WCF Research

for health and beauty aids, office/books, seasonal/sports, softlines and tobacco/alcohol. The percentage figure to the right of each department's sales total is the penetration of overall calendar year sales. The dollar figure to the right of each department's SKU count represents the average sales per item per week per club.

For example, the softline department (apparel, baby, bed and bath and jewelry) at Costco generated 2020 worldwide sales of \$10.61 billion which represented 6.2% of the company's worldwide sales of \$171.45 billion. There are 479 softline SKUs at Costco with each one averaging weekly sales per club of \$531.

BJ's Wholesale		2020 Calendar Sales			SKU Count				Pallet per Item				Average Retail			
Dept.	Category	Sales (million)	PCT	\$/Week/Club	2011	2016	2020	2021	2011	2016	2020	2021	2011	2016	2020	2021
HBA	HBA	\$472	3.1%	\$62	580	629	587	668	0.4	0.4	0.4	0.5	\$16	\$18	\$19	\$20
Office, Books	Books, Movies, CDs	\$39	0.3%	\$14	862	442	226	239	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Computer, Supplies, Software	\$216	1.4%	\$379	121	64	33	50	0.4	0.3	0.3	0.3	\$95	\$161	\$156	\$218
	Office Equipment, Furniture, Phone	\$165	1.1%	\$372	28	47	33	39	0.6	0.6	0.7	0.7	\$81	\$113	\$95	\$118
	Office Supplies, School, Cartridges	\$210	1.4%	\$169	121	115	153	109	0.3	0.3	0.4	0.3	\$27	\$30	\$23	\$29
Seasonal, Sports	Non Food Seasonal	\$100	0.7%	\$42	188	191	46	209	0.6	0.6	0.6	0.6	\$112	\$112	\$97	\$112
	Sports, Camping, Luggage	\$21	0.1%	\$54	48	19	10	34	0.6	0.7	0.4	0.5	\$77	\$49	\$96	\$82
	Toys, Video Games	\$99	0.7%	\$212	162	81	27	41	0.3	0.3	0.5	0.3	\$32	\$30	\$23	\$20
Softlines	Apparel	\$261	1.7%	\$56	338	293	399	407	0.3	0.3	0.3	0.3	\$14	\$15	\$17	\$16
	Baby Food and Supplies	\$426	2.8%	\$356	132	154	85	105	0.5	0.5	0.6	0.6	\$26	\$29	\$30	\$36
	Bed, Bath, Mattresses	\$81	0.5%	\$119	93	93	77	60	0.5	0.4	0.5	0.5	\$46	\$37	\$61	\$76
	Jewelry, Fragrances, Collectibles	\$1	0.0%	\$39	644	452	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tobacco, Alcohol	Tobacco	\$82	0.5%	\$131	80	75	60	55	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Beer	\$525	3.5%	\$80	16	19	35	46	1.0	0.8	0.7	0.8	\$22	\$20	\$20	\$21
	Champagne, Liquor, Mixes				165	8	208	201	0.4	0.5	0.5	0.4	\$45	\$15	\$45	\$53
	Wine				273	158	279	274	0.4	0.4	0.4	0.4	\$15	\$14	\$13	\$14
Total	\$2,698				18.0%	\$93	3,851	2,840	2,258	2,537	0.4	0.4	0.4	0.4	\$36	\$38

WCF Research

BJ's Wholesale End Cap Analysis					
June, 2021					
Brand	Item	Package	Retail	Count	Value
360	Surge Protector Kit	1 1 ct	\$29.99	96	\$2,879
Berkley & Jensen	Twin Bunk Bed	1 1 ct	\$599.99	8	\$4,800
Huggies	Pull Ups - Girls - 4T-5T	1 102 ct	\$36.99	60	\$2,219
Kingsford	Charcoal - Natural - Competition	2 18 lb	\$22.99	30	\$690
Modelo	Beer - Variety	24 12 oz	\$27.99	56	\$1,567
Oklahoma Joe's	Longhorn Combination Grill	1 1 ct	\$479.99	4	\$1,920
Seagrams	Escapes - Variety	24 12 oz	\$20.99	80	\$1,679
Suncast	Vertical Shed - 66-inch by 46-inch	1 1 ct	\$329.99	4	\$1,320
Wasatch	Executive Gun Safe - 24 Gun Capacity	1 1 ct	\$599.99	4	\$2,400
Worthington	Propane Gas Tank - 20 lb	1 1 ct	\$33.99	48	\$1,632
Average End Cap			\$218.29		\$2,111

WCF Research

Category Sales – The charts for BJ's (page two), Costco (page three) and Sam's Club (page four) include category sales information. The sales data includes 2020 worldwide calendar year category sales (in millions), the percentage of overall sales for a category and the average weekly sales per item per club.

Please note, some categories are in between seasons and the selection may vary dramatically at some locations. The low

SKU count in some of those categories would have distorted the average weekly sales per item per club, so the figures were not calculated.

Item Data Background

The product data and pictures for this analysis were gathered in June, 2021 from BJ's, Costco and Sam's Club (see picture on the right of a video game and accessory display for Nintendo, PlayStation and Xbox) locations in Massachusetts, New York and New Hampshire. The item background information covers four topics: national takeaway, data accuracy, retail pricing and category merchandising.



National Takeaway – WCF has visited numerous clubs nationally and internationally over the past 25 years. One of the lessons we learned is that while there are always differences to be found within each club operator from state to state and region to region, the merchandise assortment of the majority of the departments and categories in the club channel are similar across the country. Given that finding, the department and category data and analysis in this issue are sound representations of the overall club industry.

Data Accuracy – The information and data in this issue should be used as a guide to planning, understanding and evaluating your club business. While extensive efforts have been used to assure the accuracy of the data, no guarantees can be made. The data found in this article is not endorsed by BJ's, Costco or Sam's Club. WCF made every effort to ensure that all appropriate products were included. Out-of-stock merchandise would have affected the SKU data within this issue.

Retail Pricing – The retail prices listed in this article do not include coupons. When comparing club retail pricing, the only equitable method is to use a non-discounted retail price.

Category Merchandising – The category data charts provide product merchandising information (at the time of WCF's location visit) which includes four years of SKU, merchandising space and average retail pricing data (2011 and 2016 for a historical perspective and 2020 and 2021). The SKU data represents the number of items in a category. The retail pricing data represents the average retail price of the merchandise in a category.

Costco		2020 Calendar Sales			SKU Count				Pallet per Item				Average Retail			
Dept.	Category	Sales (million)	PCT	\$/Week/Club	2011	2016	2020	2021	2011	2016	2020	2021	2011	2016	2020	2021
HBA	HBA	\$2,760	1.6%	\$190	382	367	361	347	0.4	0.4	0.5	0.5	\$19	\$19	\$19	\$22
Office, Books	Books, Movies, CDs	\$1,217	0.7%	\$187	388	197	133	156	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Computer, Supplies, Software	\$2,709	1.6%	\$1,224	65	46	46	53	0.6	0.6	0.4	0.7	\$305	\$360	\$276	\$584
	Office Equipment, Furniture, Phone	\$1,835	1.1%	n/a	31	31	24	15	0.8	0.8	0.8	0.8	\$74	\$134	\$107	\$76
	Office Supplies, School, Cartridges	\$3,292	1.9%	n/a	83	77	56	43	0.4	0.4	0.4	0.4	\$34	\$35	\$38	\$52
Seasonal, Sports	Non Food Seasonal	\$2,037	1.2%	\$717	113	115	28	68	1.0	1.0	1.0	0.8	\$100	\$163	\$93	\$134
	Sports, Camping, Luggage	\$1,269	0.7%	\$1,048	33	15	13	29	0.9	0.9	0.8	1.0	\$118	\$74	\$64	\$120
	Toys, Video Games	\$1,265	0.7%	n/a	37	11	4	8	0.3	0.3	1.0	0.7	\$69	\$153	\$25	\$328
Softlines	Apparel	\$4,698	2.7%	\$735	112	156	151	153	0.4	0.4	0.4	0.4	\$15	\$16	\$16	\$14
	Baby Food and Supplies	\$1,920	1.1%	\$1,839	28	28	24	25	0.9	0.8	0.9	0.9	\$31	\$32	\$41	\$43
	Bed, Bath, Mattresses	\$1,783	1.0%	\$749	67	65	82	57	0.9	0.7	0.9	0.8	\$66	\$47	\$97	\$105
	Jewelry, Fragrances, Collectibles	\$2,212	1.3%	\$217	280	262	256	244	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tobacco, Alcohol	Tobacco	\$683	0.4%	\$409	95	65	40	40	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Beer	\$5,555	3.2%	\$801	14	13	22	25	1.0	1.0	0.7	0.8	\$21	\$19	\$17	\$19
	Champagne, Liquor, Mixes				5	8	45	17	0.7	0.5	0.5	0.6	\$35	\$44	\$53	\$24
	Wine				171	148	182	124	0.5	0.6	0.4	0.5	\$16	\$18	\$17	\$16
Total		\$33,235	19.4%	\$567	1,904	1,604	1,467	1,404	0.6	0.5	0.5	0.6	\$52	\$57	\$43	\$72

WCF Research

The merchandising space or pallet per item figure represents the average amount of space for one SKU. A figure of 1.0 indicates that each item in that category is merchandised on a full pallet. A figure of 0.5 indicates that, on average, an item in that category is given one-half of a pallet of space. A figure of 0.3 indicates, that on average, an item in that category is merchandised on a shelf.

Costco End Cap Analysis						
June, 2021						
Brand	Item	Package	Retail	Count	Value	
Australian Botanical	French Milled Goat Milk Soap	8 7 oz	\$14.99	504	\$7,555	
Bayside Furnishings	Mesh Office Chair	1 1 ct	\$99.99	12	\$1,200	
Heineken	Beer	24 12 oz	\$24.79	84	\$2,082	
Hello Summer	Wine Sampler	12 375 ml	\$49.99	75	\$3,749	
Kirkland Signature	Golf - Wedge Set	1 3 ct	\$159.99	84	\$13,439	
Kirkland Signature	Men's Cotton Briefs	1 4 ct	\$12.99	400	\$5,196	
Lubriderm	Lotion - Fragrance Free - Bonus (6-oz)	2 24 oz	\$13.49	360	\$4,856	
MSI	Gaming Monitor - Optix - 27-inch	1 1 ct	\$199.99	18	\$3,600	
Netgear	Orbi - Mesh WIFI 6 System	1 1 ct	\$499.99	48	\$24,000	
Philips	Norelco Shaver - S6500	1 1 ct	\$89.99	80	\$7,199	
Average End Cap				\$116.62	\$8,097	

WCF Research

End Caps

WCF randomly selected a total of ten softline, health and beauty aid, sporting good, book,

office and alcohol end cap items. The brand, description, package, retail price and estimated pallet count of each item was recorded. The pallet count of each item was based on an estimated full pallet height. The retail inventory value of an item was calculated by multiplying the retail price times the pallet count. The end cap charts are on page two for BJ's, page three for Costco and page four for Sam's Club.

BJ's – The end cap selection at BJ's included: a surge protector kit from 360 for \$29.99, a package of two 18-pound bags of Kingsford natural competition charcoal for \$22.99, a variety case of twenty-four 12-ounce bottles of Modelo beer for \$27.99, an Oklahoma Joe's combination gas and charcoal grill for \$479.99, a 46-inch wide by 66-inch tall vertical shed from Suncoast for \$329.99, a 24-gun capacity executive safe from Wasatch for \$599.99 and a 20-pound propane gas tank from Worthington for \$33.99.

Subscription and Copyright

Warehouse Club Focus (ISSN: 1533-6816) is published twice a month by HHC Publishing, Inc. The annual subscription rate for twenty-four issues is \$479 (payable in U.S. currency) and delivery is via email. HHC Publishing, Inc. accepts Visa, MasterCard and American Express credit card payments. Subscription requests should be sent to HHC Publishing, PO Box 9138, Foxboro, MA, 02035-9138. You may also email (info@hhcpublishing.com), call (617-770-0102) or fax (617-479-4961) your subscription request.

The information in *Warehouse Club Focus* is based on sources believed to be reliable and, while extensive efforts are made to assure its accuracy, no guarantee can be made. The opinions expressed are merely the opinions of *Warehouse Club Focus* and those opinions do not necessarily reflect the opinions of the companies covered by the publication. *Warehouse Club Focus* is not endorsed by the companies covered in the publication nor is any product endorsement implied.

HHC Publishing, Inc. strictly **PROHIBITS** without its express written permission **ALL** copying, faxing and emailing of *Warehouse Club Focus* (WCF) to persons or companies who have not paid the annual subscription fee. WCF reserves the right to **TERMINATE** any subscription to those individuals or companies distributing WCF to non-subscribing individuals or companies. In this regard, HHC Publishing, Inc. may use software, Internet tools and other available means to track and monitor subscribers' use of WCF.

If you have received this issue of WCF without paying the annual subscription fee, the distributor is in violation of copyright and intellectual property laws. To sign up for an annual subscription, call us at 617-770-0102 or visit www.hhcpublishing.com. If your company is interested in learning about how to provide the information found in WCF throughout your organization call us at 617-770-0102 and ask about our corporate subscription program.

Sam's Club		2020 Calendar Sales			SKU Count				Pallet per Item				Average Retail			
Dept.	Category	Sales (million)	PCT	\$/Week/Club	2011	2016	2020	2021	2011	2016	2020	2021	2011	2016	2020	2021
HBA	HBA	\$1,484	1.7%	\$92	384	391	395	377	0.3	0.4	0.4	0.4	\$15	\$18	\$19	\$21
Office, Books	Books, Movies, CDs	\$358	0.4%	\$31	775	525	255	267	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Computer, Supplies, Software	\$1,477	1.6%	\$882	135	102	56	39	0.4	0.4	0.4	0.3	\$153	\$200	\$233	\$257
	Office Equipment, Furniture, Phone	\$1,021	1.1%	\$485	60	58	37	49	0.7	0.7	0.6	0.5	\$102	\$95	\$133	\$71
	Office Supplies, School, Cartridges	\$1,612	1.8%	\$184	194	186	209	204	0.4	0.4	0.3	0.3	\$25	\$29	\$30	\$32
Seasonal, Sports	Non Food Seasonal	\$842	0.9%	\$255	75	131	52	77	0.9	0.9	0.8	0.8	\$95	\$147	\$96	\$113
	Sports, Camping, Luggage	\$340	0.4%	\$293	16	15	17	27	1.0	0.8	0.8	0.8	\$73	\$84	\$100	\$111
	Toys, Video Games	\$519	0.6%	\$302	221	26	39	40	0.3	0.3	0.8	0.5	\$31	\$83	\$37	\$67
Softlines	Apparel	\$1,137	1.3%	\$150	160	156	153	176	0.4	0.3	0.3	0.3	\$14	\$15	\$14	\$12
	Baby Food and Supplies	\$985	1.1%	\$319	64	62	64	72	0.7	0.5	0.5	0.6	\$20	\$33	\$34	\$33
	Bed, Bath, Mattresses	\$663	0.7%	\$262	130	117	82	59	0.5	0.5	0.6	0.6	\$67	\$63	\$139	\$113
	Jewelry, Fragrances, Collectibles	\$851	1.0%	\$44	563	521	447	453	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tobacco, Alcohol	Tobacco	\$1,340	1.5%	\$446	95	85	70	70	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Beer	\$2,955	3.3%	\$400	34	56	55	39	0.7	0.5	0.6	0.6	\$18	\$14	\$14	\$18
	Champagne, Liquor, Mixes				4	2	17	18	0.4	0.7	0.4	0.6	\$46	\$11	\$19	\$18
	Wine				113	130	83	45	0.5	0.4	0.4	0.6	\$12	\$13	\$14	\$12
Total		\$15,584	17.4%	\$180	3,023	2,563	2,031	2,012	0.4	0.5	0.4	0.4	\$42	\$52	\$46	\$45

WCF Research

Costco – The end cap assortment at Costco included: eight 7-ounce bars of Australian Botanicals French milled goat milk soap for \$14.99, a three-piece Kirkland Signature private label golf wedge set for \$159.99, a package of two 24-ounce bottles of Lubriderm fragrance free lotion with a six-ounce bonus bottle for \$13.49, a 27-inch optix gaming monitor from MSI for \$199.99, an Orbi WIFI 6 wireless mesh system from Netgear for \$499.99 and a Norelco S6500 electric shaver from Philips for \$89.99.

Sam's Club End Cap Analysis						
June, 2021						
Brand	Item	Package	Retail	Count	Value	
Delonghi	Portable Air Conditioner - 12,000 btu	1 1 ct	\$399.00	12	\$4,788	
Dunlop	Ping Pong - Outdoor	1 1 ct	\$399.98	5	\$2,000	
Jetson	Aura Light Up Bike - 16-inch	1 1 ct	\$99.98	20	\$2,000	
Kid Kraft	Playhouse - Braewood - 74" x 43" x 74"	1 1 ct	\$329.98	5	\$1,650	
Kingsford	Charcoal - Match Light	2 16 lb	\$20.98	30	\$629	
Member's Mark	Gas Grill - 4 Burner	1 1 ct	\$299.98	12	\$3,600	
Member's Mark	Hard Arm Chair	15 1 ct	\$19.98	60	\$1,199	
Member's Mark	Web Swing - 40-inch	1 1 ct	\$49.98	36	\$1,799	
Toms	Canvas Shoe	1 1 ct	\$29.98	150	\$4,497	
Yardforce	Mower - 22-inch - Gas - Self Propelled	1 1 ct	\$299.98	6	\$1,800	
Average End Cap			\$194.98		\$2,396	

WCF Research

Sam's Club – The end cap selection at Sam's included: a 12,000-btu portable air conditioner

from Delonghi for \$399.00, an outdoor ping pong table from Dunlop for \$399.98, a 74-inch by 43-inch by 74-inch Braewood playhouse from Kid Kraft for \$329.98, two 16-pound bags of Match Light charcoal from Kingsford for \$20.98, a Member's Mark private label four burner gas grill for \$299.98, a Member's Mark 40-inch web swing for \$49.98, a pair of Toms canvas shoes for \$29.98 and a 22-inch self-propelled gas mower from Yardforce for \$299.98.

Category Analysis

The following are observations and analysis from some of the categories and sub-categories within softlines, health and beauty aids (HBA), sporting goods, office, book and alcohol departments.

Sales per Week per Club – The following are explanations of unusual or omitted sales per week per club data. WCF did not observe any jewelry, fragrance or collectible SKUs at BJ's. However, during the winter holiday season, BJ's may stock items in this category and an annual sales figure was estimated for this category as well as estimated sales per week per club.

The number of SKUs in the office equipment, furniture and phone category and the office supply, school and cartridge category at Costco was lower than in years past as well as in comparison to SKU counts in January, 2021. At this time, it is unclear if this was unique to the Costco location that was visited, was a result of items being out of stock or a strategic change in buying for these categories. In any case, the lower SKU count in both categories dramatically increased the sales per week per club, so the figures were omitted.

The sales per week per club was not provided for the toy and video game category at Costco. This is because Costco primarily stocks its toy and video game assortment during the winter holiday season. The lower SKU count in toys and video games at Costco at this time of year dramatically increased the sales per week per club, so the figure was omitted.

HBA – Oral Care – The entire oral care assortment at each club was recorded. BJ's stocked 63 SKUs, Sam's stocked 31 items and Costco stocked 19 products. Some of the unique items included: an ARC blue-light teeth whitening kit with a blue light, whitening strips (14) and a whitening pen for \$44.99 (BJ's), five 4.5-ounce tubes of Crest sparkle fun cavity protection toothpaste for \$8.99 (BJ's) and a package of nine floss action Oral B brush heads for \$49.99 or \$5.55 per brush at Costco (BJ's and Sam's stocked an eight-count package of the same item for \$5.62 per brush).



Sam's—Smile Direct Toothbrush

Other oral care SKUs included: a 180-count package of Gum advanced gum care picks with six on-the-go bonus picks from Oral B for \$12.99 (Costco), two 33.8-ounce bottles of TheraBreath mint oral rinse for \$24.98 (Sam's), a sonic fusion 2.0 water flosser that will brush and floss at the same time with a travel case, five brush heads and five brush head covers from Water Pik (\$149.98 at Sam's and \$149.99 at Costco), a set of two Gleem battery toothbrushes with four brush heads and two travel cases for \$39.98 (Sam's) and a box of two battery toothbrushes with four brush heads, four AAA batteries and two travel cases from Smile Direct Club (see picture on the left) for \$44.98 (Sam's).

HBA – Soap, Shampoo, Body Wash, Conditioner – The entire soap, shampoo, body wash and conditioner selection at each club was recorded. BJ's stocked 85 items, Sam's stocked 56 SKUs and Costco stocked 25 products. Some of the unique SKUs included: a 33.8-ounce bottle of Aussie multi miracle shampoo for \$8.98 (Sam's), a 33.8-ounce bottle of Aussie multi miracle conditioner for \$8.98 (Sam's), four 16.9-ounce bottles of Baylis & Harding hand soap (two each of mandarin/grapefruit and lavender/chamomile) for \$8.99 (Costco), a 25-ounce bottle of butter hydrating conditioner from Cantu for \$7.99 (BJ's), a 25-ounce bottle of butter cleansing shampoo from Cantu for \$7.99 (BJ's), three 16-ounce bottles of Harry's body wash

(redwood, stone and fig) for \$16.98 (Sam's), two 40-ounce bottles of moisturizing body wash from Ivory for \$14.98 at Sam's (BJ's stocked one 40-ounce bottle for \$7.99) and four 16-ounce bottles of Mrs. Meyers hand soap for \$14.99 (Costco).

HBA – Costco's HBA selection included a 15-count Harry's razor set with a Truman razor, 13 cartridges and a travel blade cover for \$24.99 (see picture on the right). All three clubs stocked a variety box of Band-Aid adhesive bandages. BJ's and Sam's stocked the same package: a 173-count box that included 25 skin flex bandages, 30 water block bandages and 118 flexible fabric bandages (a 100-count box, a 10-count box and an eight-count travel pack) for \$10.98 at Sam's and \$10.99 at BJ's or 6.3-cents per bandage. Costco stocked a 188-count box that included 30 water block bandages, 20 tough strip bandages, 20 water block tough strip bandages, 118 flexible fabric bandages (a 100-count box, a 10-count box and an eight-count travel pack) and a bonus travel case for \$12.99 or 6.9-cents per bandage.



Costco—Harry's Razor Set



Sam's—Safety First Car and Booster Seat

Baby Food, Supplies – The baby selection at Sam's included the following exclusive item: a Safety First EverFit DLX all-in-one car seat with a bonus booster seat for \$114.98 (see picture on the left).

Bed, Bath, Mattresses – Costco's selection included four bath mat SKUs: a 24-inch by 36-inch Charisma bath mat made from recycled plastic for \$14.99, a 24-inch by 36-inch 100% cotton bath mat from Meridien for \$11.99, a set of two Town & Country bath mats (17-inch by 24-inch and 21-inch by 34-inch) for \$16.99 and a 100% cotton bath mat (20-inch by 30-inch) and bath runner (20-inch by 60-inch) set from Whitley Willows for \$19.99. Costco also stocked a six-piece 300-thread count 100% organic cotton king sheet set from Pure Earth for \$49.99. Sam's bed, bath and mattress assortment included a four-piece king cooling sheet set from Molecule for \$59.98.

Office Equipment, Furniture, Phone – The following are some of the unique office equipment, furniture and phone SKUs: a Fortress safe accessory kit with an LED light bar, a rechargeable and cordless dehumidifier and a pistol rack for \$39.99 (BJ's), a quick access biometric safe with an interior light, tamper indicator and fail safe keys from Sanctuary for \$84.99 (Costco) and a 100-sheet microcut shredder from Hewlett Packard for \$99.98 (Sam's).

Office Supplies, School, Cartridges – BJ's office supply assortment included five copy paper SKUs: a case of ten 500-count reams of 92-bright 20-pound copy paper from White Box for \$34.99 or 0.7-cents per sheet, a 750-count package of 96-bright 22-pound copy paper from Hewlett Packard for \$9.99 or 1.3-cents per sheet, three 500-sheet reams of 93-bright 18-pound copy paper from Hewlett Packard for \$12.99 or 0.9-cents per sheet, a case of eight 500-sheet reams of 92-bright 20-pound copy paper from Hewlett Packard for \$29.99 or 0.7-cents per sheet and a case of five 500-sheet reams of 92-bright 20-pound copy paper from Hewlett Packard for \$19.99 or 0.8-cents per sheet.

BJ's also stocked: a 10-count package of six-inch by nine-inch heavy duty bubble mailers from 3M-Scotch for \$4.99, a 10-count package of 8.5-inch by 11.25-inch heavy duty bubble mailers from 3M-Scotch for \$5.49 (see picture on the right) and a 120-count tub of BIC ultra washable markers for \$16.99.

Sam's school selection included four items from Art Skills: a 32-count acrylic paint set with an easel for \$14.98, a 75-count mixed media art set with watercolor paints, acrylic paints, pencils, oil paint and an easel for \$14.98, a 30-count oil paint set with an easel for \$14.98 and a 57-count watercolor paint set with an easel for \$14.98.

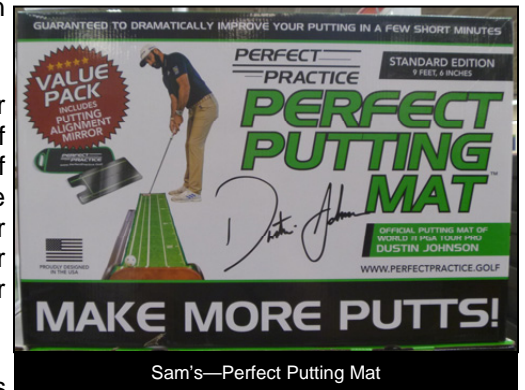
Sports, Camping, Luggage – The sports and camping selection at Sam's included: a Denovo two-person hammock made of recycled material with hammock straps that can support 500-pounds for \$29.98 and a Perfect Practice 114-inch long golf putting mat with an alignment mirror for \$129.98 (see picture on the right).

Alcohol – BJ's alcohol selection included three Bota Box items: a three-liter container of malbec from Lodi, California for \$14.99, a three-liter container of nighthawk gold butter chardonnay for \$14.99 and a three-liter container of nighthawk red blend for \$14.99. BJ's alcohol selection also included five items from Franzia: a five-liter container of blush for \$14.49, a five-liter container of cabernet for \$14.99, a five-liter container of chardonnay for \$14.49, a five-liter container of chillable red for \$11.99 and a five-liter container of white zinfandel for \$14.49.

Costco's alcohol assortment included: a case of twenty-four 12-ounce cans of Kirkland Signature hard seltzer (six cans each of mango, grapefruit, black cherry and lime) for \$20.99 and a case of twelve 250-milliliter bottles of Kim Crawford sauvignon blanc from New Zealand for \$45.99.



BJ's—3M-Scotch Heavy Duty Bubble Mailers



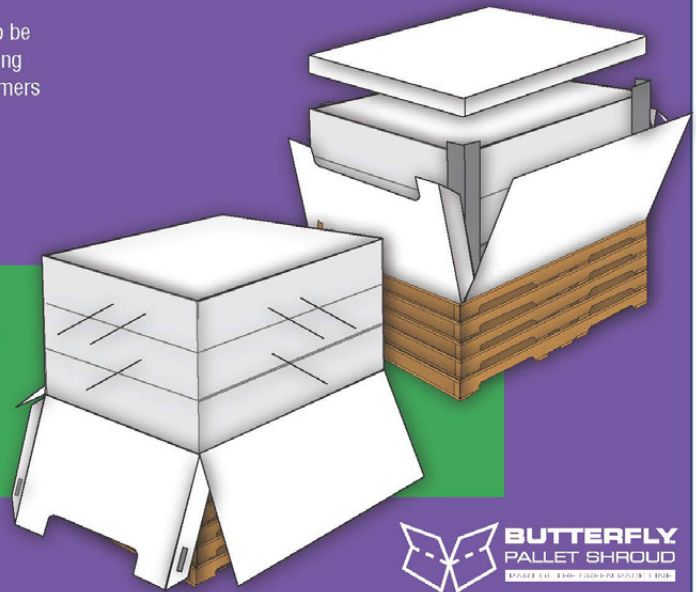
Sam's—Perfect Putting Mat



Our goal at U.S.Merchants / Diversified Repackaging is to be recognized as the leading service provider in the packaging and distribution industry, through dedication to our customers and commitment to superior service. Our fundamental approach to business is summarized into our core principles known as the *Jeff Green Standards*.

The Jeff Green Standard of the Month

Develop unique methods to ship product and incorporate those elements into the pallet display with our patented Butterfly Pallet Shroud



We handle the whole package in-house.
For all your packaging and distribution needs call us today!



310-228-4000 or visit us on-line at www.u-s-merchants.com

Sam's Club

Sam's Home Improvement Program

PR Newswire – June 8, 2021

Sam's Club announced a partnership with Service Finance Company that will connect members with vetted local home improvement contractors. The program is called Home Install Experts and will offer the following services: HVAC, roofing, siding, window and door installation, bathroom and kitchen renovations, gutter repair and flooring. The program also includes a 10% discount on the service cost and a financing option which offers a 0% annual percentage rate and no payments for the first 12 months.

Mark Berch, president of Service Finance Company, said, "It's a privilege to work with Sam's Club and help its members make intelligent decisions about investments in their homes. We take pride in doing the heavy lifting so that Sam's Club members can take care of their home improvements with trusted Service Finance dealers who can provide a financing option that works for them."

Kevin O'Connor, senior vice president and general merchandise manager at Sam's Club, said, "We're always looking for ways to delivery value, convenience and special experiences to our members and our relationship with Service Finance will be a game changer. With access to Service Finance's network of reputable dealers, our members can have confidence knowing they're not only getting additional value from their membership, but they're also getting reassurance of a trusted provider."

Sam's Introduces Member's Mark Food Truck

Company Blog – June 1, 2021

Sam's Club recently launched its own food truck that serves Member's Mark private label food for free at select locations. Sam's wanted to introduce Member's Mark products to its members in unique ways and the food truck is an example. All the products served by the food truck can be purchased at Sam's Club. Through July 18, 2021, the food truck will visit 11 locations in Texas, Oklahoma, Missouri, Arkansas and Kansas.

The menu includes: an angus cheeseburger, a southwest angus cheeseburger, an extra cheesy angus cheeseburger, a spicy chicken breast filet wrap, a cheddar jalapeno smoked beef sausage, a cheddar jalapeno smoked beef sausage dog, a southwest salad wrap, baked beans, potato salad, potato chips, a chocolate chunk cookie, key lime pie, a chocolate dipped ice cream bar, water, sparkling water, lemonade, strawberry lemonade and raspberry lemonade.

Costco Wholesale

Costco's Exclusive Formula Strategy

Premier Protein Press Release – June 8, 2021 and The Costco Connection – June, 2021

One of Costco's buying strategy is to provide members with products that can't be purchased at other retailer or club operators. Part of that strategy is to create exclusive formulas for certain products especially in health and beauty aids.

A Costco health and beauty aid buyer said, "Providing these advanced formulas is really just second nature for us because we know our members love getting things they can't find anywhere else. From the point of conceptually talking about it, to all of the different phases, formulas and items being developed, until it ultimately comes to market, we're heavily involved every step of the way."

For example, Premier Protein created an "exclusive" high protein shake formula for Costco. According to the press release, "Each Premier Protein 30g high protein shake at Costco contains 100% more of the daily value for select B vitamins than our rest of market formula." The exclusive formula is available in six flavors: chocolate, caramel, café latte, vanilla, strawberry and cream and banana and cream.

Another example is Pantene essential oils shampoo and conditioner. A Costco health and beauty aid buyer said, "We took a variety of Pantene products and put them together to form this great item. Since trends are huge in this category, we always want to make sure that we're ahead of the game and we're falling with the trend and not behind it."

Costco Wholesale

Costco Reports May, 2021 Sales

Globe Newswire – June 3, 2021

Costco reported May, 2021 worldwide sales increased 24.2% from \$12.55 billion last year to \$15.59 billion this year. It is estimated that national sales increased 22.2% to \$11.23 billion and international sales increased 29.8% to \$4.36 billion.

Costco reported overall comparable sales increased 22.8% with United States locations increasing 21.9%, Canadian locations increasing 28.8% and other international locations increasing 21.5%. Excluding gasoline and foreign currency exchange (gas/fx), overall comparable sales increased 14.7% with United States locations increasing 16.7%, Canadian locations increasing 8.9% and other international locations increasing 9.6%. Online sales increased 12.1%.

Costco reported average worldwide member traffic increased 18.8% compared to last year. Costco's average transaction increased 4.0% including gas/fx and decreased 4.1% excluding gas/fx.

In terms of comparable sales by department, food and sundries increased in the mid to high single digits (candy, sundries and liquor were the stronger categories), fresh foods increased in the low double digits (service deli and bakery were the stronger categories), non-foods increased in the mid to high teens (jewelry, apparel and home furnishings were the stronger categories) and ancillary businesses increased over 80% (gasoline, hearing aids, food court and optical were the stronger categories). Regionally and internationally, comparable sales were strong in Texas, the Southeast, the Midwest, Spain, Mexico and Korea.

Costco ended the month with 809 worldwide locations including: 555 in the United States, 105 in Canada, 39 in Mexico, 29 each in the United Kingdom and Japan, 16 in Korea, 14 in Taiwan, 12 in Australia, four in Puerto Rico, three in Spain and one each in Iceland, France and China.

PriceSmart

PriceSmart Reports May, 2021 Sales

PR Newswire – June 7, 2021

PriceSmart reported that May, 2021 merchandise sales increased 16.3% from \$246.3 million last year to \$286.4 million this year. PriceSmart reported that comparable sales increased 13.6% excluding foreign currency exchange and increased 12.0% including foreign currency exchange.

Sherry Bahrambeygui, PriceSmart's chief executive officer, said, "Our membership base has increased by 5.2% and our trailing 12-month renewal rate has increased by 8.9% from the lows in August 2020. Our trailing 12-month renewal rate is higher than its pre-COVID peak and our membership base is nearly there too. This validates that our business model and rigorous commitment to our members is valued even in the most challenging of circumstances."

PriceSmart ended the month with 47 locations in Latin America and the Caribbean including: eight in Costa Rica and Colombia, seven in Panama, five in the Dominican Republic, four in Trinidad and Guatemala, three in Honduras, two each in El Salvador and Nicaragua and one each in Aruba, Barbados, Jamaica and the United States Virgin Islands.

OBSERVATIONS

WCF's business is the warehouse club industry. To that end, WCF is constantly accumulating information about the industry via phone conversations, warehouse visits, industry publications and manufacturer meetings. This section is WCF's attempt to disseminate that information to the club industry in an ethical and protective manner.

- According to a June 14, 2021 report from the *Credit Union Times*, TruWest Credit Union (an Arizona-based financial institution with \$1.4 billion in assets and locations in Arizona and Texas) announced an automobile purchasing partnership with Costco. Costco members would start their automobile buying process by selecting a link at TruWest.org where they would be offered discounts on an auto loan. Those members can apply for a loan with TruWest Credit Union and then be referred to an authorized Costco automobile dealership partner.
- According to a June 3, 2021 report from *The Produce News*, BJ's named Darryl Brown to its board of directors. Chris Baldwin, executive chairman of the board of directors at BJ's, said, "We're pleased to add Darryl to our board and look forward to working with him. His deep experience in the consumer-packaged goods and financial services industries will be incredibly valuable as we continue to accelerate our transformation." Brown has worked for American Express and Kraft.