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

## Department Analysis – Automotive, Home Goods, Majors and Sundries

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 and office), dry grocery and candy and perishables (cooler, freezer, deli and fresh foods).

This article analyzes the automotive, home goods (see picture on the right from BJ's of a Rubbermaid meal prep set with 30 containers each with built-in dividers and 30 lids for \$15.99), majors and sundry categories. This article is divided into the following four sections: sales estimates, item data, end caps and category observations.



BJ's—Rubbermaid Containers

### Sales Estimates

The category and department sales information throughout this article is calculated using a combination of objective and subjective data. The background data includes the following three items: annual worldwide company sales, department SKUs and department penetration. That background data enables WCF to estimate department and category sales.

**Annual Worldwide Company Sales** – Costco reports worldwide monthly sales. Sam's reports United States sales quarterly and WCF estimates its international business. BJ's reports company wide sales on a quarterly basis. Each club's sales figures are converted to an annual worldwide figure enabling an "apples to apples" comparison.

**Department SKUs** – On an annual basis in January, WCF reports on the current SKU counts (at the time) in every category and department at each of the three clubs. In addition, during these detailed category and department analyses, the SKUs within each category and department are counted. The category and department numbers are always compared to make sure they are "in line", otherwise, the data is checked.

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

When calculating category and department sales, the penetration figure is multiplied by the company's annual worldwide merchandise sales. When calculating the category and department sales per SKU per week per club, the category/department's sales are divided by its SKU count, the number of locations for a club at the end of the most recent

2020 Worldwide Calendar Sales (millions)														
Department	BJ's Wholesale (219 clubs)				Costco Wholesale (803 clubs)				Sam's Club (826 clubs)				Total	
	Annual (mil)	PEN	SKU	SKU \$/Week/Club	Annual (mil)	PEN	SKU	SKU \$/Week/Club	Annual (mil)	PEN	SKU	SKU \$/Week/Club	Annual (mil)	PEN
Auto	\$85	0.6%	116	\$64	\$4,578	2.7%	122	\$899	\$2,373	2.7%	152	\$363	\$7,036	2.5%
Home Goods	\$484	3.2%	216	\$197	\$12,088	7.1%	183	\$1,582	\$4,315	4.8%	165	\$609	\$16,887	6.1%
Majors	\$733	4.9%	173	\$372	\$10,029	5.8%	117	\$2,053	\$4,055	4.5%	148	\$638	\$14,817	5.4%
Sundries	\$1,928	12.9%	356	\$476	\$15,585	9.1%	145	\$2,574	\$8,630	9.6%	273	\$736	\$26,143	9.5%
<b>Totals</b>	<b>\$3,230</b>	<b>21.5%</b>	<b>861</b>	<b>\$329</b>	<b>\$42,280</b>	<b>24.7%</b>	<b>567</b>	<b>\$1,786</b>	<b>\$19,373</b>	<b>21.6%</b>	<b>738</b>	<b>\$611</b>	<b>\$64,883</b>	<b>23.5%</b>
<b>Company</b>	<b>\$14,992</b>		<b>5,810</b>	<b>\$204</b>	<b>\$171,450</b>		<b>3,643</b>	<b>\$953</b>	<b>\$89,531</b>		<b>4,633</b>	<b>\$379</b>	<b>\$275,973</b>	

calendar year and 52 (the number of weeks in a year).

calendar year worldwide sales estimates (in millions) for the automotive, home goods, major and sundry departments. The percentage figures 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 location.

For example, the majors category at Costco (appliances, televisions, headphones, tablets, batteries and cameras) generated 2020 annual sales of \$10.03 billion which represented 5.8% of the company's worldwide sales of \$171.45 billion. There are 117 major items at Costco. The average major SKU generated weekly sales per club of \$2,053.

**Department Sales** – The chart on the left provides 2020

BJ's Wholesale		2020 Sales			SKU			Pallet per Item			Average Retail			SKU					
		Annual (mil)	PEN	SKU \$/WK/Club	2008	2018	2021	2008	2018	2021	2008	2018	2021	Wholesale			Retail		
Dept.	Category																		
Auto	Automotive	\$85	0.6%	\$64	182	156	116	0.5	0.4	0.3	\$82	\$80	\$62	22	35	16	160	121	100
Home Goods	Furniture, TV Stands/Mounts	\$21	0.1%	\$154	6	15	12	1.0	0.5	0.8	\$198	\$133	\$346	n/a	n/a	n/a	6	15	12
	Hardware, Tools	\$40	0.3%	\$121	30	36	29	0.6	0.6	0.5	\$53	\$76	\$49	7	9	6	23	27	23
	Home Furnishings, Lights, Plants	\$81	0.5%	\$203	27	35	35	0.5	0.4	0.5	\$37	\$32	\$39	6	6	2	21	29	33
	Housewares, Vacuums	\$75	0.5%	\$127	63	49	52	0.7	0.7	0.6	\$68	\$82	\$94	n/a	n/a	4	63	49	48
Majors	Kitchen Supplies	\$267	1.8%	\$266	42	75	88	0.5	0.5	0.5	\$25	\$29	\$23	n/a	4	n/a	42	71	88
	Appliances	\$255	1.7%	\$605	31	50	37	0.9	0.7	0.6	\$76	\$252	\$110	n/a	2	2	31	48	35
	Electronics - TV, Headphones, Tablets	\$451	3.0%	\$336	110	90	118	0.6	0.7	0.7	\$502	\$473	\$451	n/a	n/a	n/a	110	90	118
Sundries	Batteries, Cameras	\$27	0.2%	\$132	51	24	18	0.3	0.3	0.3	\$122	\$381	\$56	n/a	7	1	51	17	17
	Detergents, Cleaning Supplies, Fresheners	\$675	4.5%	\$470	105	125	126	0.7	0.7	0.7	\$12	\$13	\$16	42	40	31	63	85	95
	Paper Products	\$550	3.7%	\$755	103	109	64	0.6	0.6	0.8	\$12	\$13	\$15	55	50	28	48	59	36
	Pet	\$318	2.1%	\$294	87	129	95	0.6	0.5	0.6	\$17	\$21	\$24	37	15	50	92	80	
	Plastic Items, Trash Bags, Tin Foil	\$385	2.6%	\$476	97	94	71	0.7	0.7	0.7	\$11	\$13	\$15	63	62	33	34	32	38
<b>Total</b>		<b>\$3,230</b>	<b>21.5%</b>	<b>\$329</b>	<b>934</b>	<b>987</b>	<b>861</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>\$99</b>	<b>\$97</b>	<b>\$100</b>	<b>232</b>	<b>252</b>	<b>138</b>	<b>702</b>	<b>735</b>	<b>723</b>

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BJ's Wholesale End Cap Analysis						
MA - August, 2021						
Brand	Item	Package	Retail	Count	Value	
Arm & Hammer	Laundry Detergent - Plus Oxiclean - 159 load	1 276.2 oz	\$16.49	60	\$989	
Berkley & Jensen	Dishwashing Liquid - Ultra	1 100 oz	\$6.99	270	\$1,887	
Berkley & Jensen	Laundry Detergent Pacs - Ultra - Original	2 66 ct	\$16.99	112	\$1,903	
Berkley & Jensen	Storage Rack - 48-inch by 75-inch - 6 Shelf	1 1 ct	\$119.99	16	\$1,920	
Bounty	Paper Towels - White	12 147 ct	\$29.99	27	\$810	
Buddeez	Storage Container	1 8 ct	\$19.99	30	\$600	
Chinet	Paper Plates - 10 3/8	1 165 ct	\$17.99	96	\$1,727	
Ninja	Foodi - 10-in-1 - Pressure Cooker - 8-quart	1 1 ct	\$199.99	24	\$4,800	
Purina	Cat Chow - Complete	1 25 lb	\$19.49	72	\$1,403	
Samsung	Television - QLED - 82-inch - HDMI (3)	1 1 ct	\$1,999.99	4	\$8,000	
<b>2021 Average End Cap</b>			<b>\$244.79</b>		<b>\$2,404</b>	

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

For example, in 2020, in the detergent, cleaning supply and freshener category, Sam's Club generated sales of \$3.38 billion which represented 3.8% of the company's

overall sales of \$89.53 billion. An average detergent, cleaning supply and freshener SKU at Sam's Club (there are 100 items in the category) generated average weekly sales per club of \$786.

**Item Data**

The product data and pictures for this analysis were recorded in August and September, 2021 from BJ's, Costco and Sam's Club (see picture on the right from Sam's of ten 12-ounce color changing children's tumblers each with a lid and straw for \$14.98) locations in Massachusetts and New Hampshire. The following background information covers four topics: national takeaway, data accuracy, category merchandising and retail pricing.



Sam's—Color Changing Tumblers

**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 most 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.

**Category Merchandising** – The category charts also provide merchandising information for three years (2008 for a historical perspective and 2018 and 2021). The merchandising information included: the number of SKUs in each category, the merchandising space for each item, the average retail price in a category and the targeted member (wholesale or retail) for each item.

The merchandising space or pallet per item figure represents the average amount of space for a single SKU. A figure of 1.0 indicates that each item in a category is merchandised on a full pallet (see picture on the right from Costco of a 24-bottle capacity metal wine rack from Neatfreak for \$49.99). A figure of 0.5 indicates that, on average, an item in that category is given one-half of a pallet of merchandising space. A figure of 0.3 indicates, that, on average, an item in that category is merchandised on a shelf.



Costco—Metal Wine Rack

For each item observed and recorded in each category, WCF subjectively determined whether the targeted end user is a business or consumer member. The end user totals appear under the wholesale and retail columns within each chart for each club. In most cases, if an item could be resold or used by a business member, it was considered a business or wholesale item.



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Costco		2020 Sales			SKU			Pallet per Item			Average Retail			SKU					
Dept.	Category	Annual (mil)	PEN	SKU \$/WK/Club	2008	2018	2021	2008	2018	2021	2008	2018	2021	Wholesale			Retail		
Auto	Automotive	\$4,578	2.7%	\$899	137	124	122	0.6	0.6	0.4	\$102	\$100	\$102	36	22	12	101	102	110
Home Goods	Furniture, TV Stands/Mounts	\$1,166	0.7%	\$1,551	37	9	18	1.0	1.0	0.8	\$320	\$363	\$427	n/a	n/a	n	37	9	18
	Hardware, Tools	\$1,955	1.1%	\$975	39	38	48	0.9	1.0	0.9	\$121	\$97	\$127	24	11	17	15	27	31
	Home Furnishings, Lights, Plants	\$2,640	1.5%	\$1,505	57	27	42	0.8	0.9	0.9	\$46	\$32	\$41	10	4	4	47	23	38
	Housewares, Vacuums	\$2,075	1.2%	\$1,714	22	28	29	1.0	1.0	0.9	\$123	\$116	\$159	3	n/a	2	19	28	27
Majors	Kitchen Supplies	\$4,252	2.5%	\$2,214	33	54	46	0.9	0.9	0.8	\$44	\$56	\$48	5	5	1	28	49	45
	Appliances	\$3,206	1.9%	\$1,786	33	58	43	1.0	0.7	0.9	\$171	\$670	\$743	4	5	4	29	53	39
	Electronics - TV, Headphones, Tablets	\$6,412	3.7%	\$2,362	80	75	65	0.8	0.8	0.8	\$754	\$597	\$859	2	n/a	n/a	78	75	65
Sundries	Batteries, Cameras	\$411	0.2%	\$1,094	43	9	9	0.5	1.0	0.8	\$241	\$89	\$57	6	7	7	37	2	2
	Detergents, Cleaning Supplies, Fresheners	\$6,001	3.5%	\$2,661	63	60	54	1.0	1.0	1.0	\$11	\$14	\$14	38	31	26	25	29	28
	Paper Products	\$4,063	2.4%	\$3,243	37	39	30	1.0	0.9	0.9	\$14	\$15	\$17	35	31	21	2	8	9
	Pet	\$2,023	1.2%	\$1,615	23	36	30	1.0	0.9	0.9	\$18	\$26	\$28	15	14	11	8	22	19
	Plastic Items, Trash Bags, Tin Foil	\$3,498	2.0%	\$2,702	50	44	31	0.8	0.8	0.9	\$12	\$14	\$14	47	33	24	3	11	7
<b>Total</b>		<b>\$42,280</b>	<b>24.7%</b>	<b>\$1,786</b>	<b>654</b>	<b>601</b>	<b>567</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>\$177</b>	<b>\$190</b>	<b>\$222</b>	<b>225</b>	<b>163</b>	<b>129</b>	<b>429</b>	<b>438</b>	<b>438</b>

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### Costco Wholesale End Cap Analysis

MA - August, 2021

Brand	Item	Package	Retail	Count	Value
Artika	Flat Panel Light - LED - 1-foot by 4-foot	1 1 ct	\$49.99	100	\$4,999
Coleman	Tumblers - Stainless Steel - 18-oz, 20-oz	1 2 ct	\$17.99	288	\$5,181
Duracell	Batteries - AAA	1 40 ct	\$16.99	400	\$6,796
Kirkland Signature	Facial Tissue - 3 ply	12 84 ct	\$14.99	80	\$1,199
Kirkland Signature	Microfiber Towel - Ultra Plush	1 36 ct	\$16.99	180	\$3,058
LG	Television - LED - 86-inch - HDMI (4)	1 1 ct	\$1,699.99	4	\$6,800
LG	Vacuum - Cordless, Stick - A916	1 1 ct	\$399.99	32	\$12,800
Moen	Bathroom Hardware Set - Karis - Brushed Nickel	1 4 ct	\$39.99	352	\$14,076
Oxo	Pop Container Set	1 9 ct	\$59.99	50	\$3,000
Pyrex	Mixing Bowls, Lids	1 8 ct	\$15.99	96	\$1,535
<b>2021 Average End Cap</b>			<b>\$233.29</b>		<b>\$5,944</b>

WCF Research

**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.

### End Caps

WCF randomly selected ten automotive, home goods, major and sundry end cap items at each club. The brand, description, package, retail price and estimated pallet count of each item was recorded. The pallet count of

each item was based on the 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 appear 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 Samsung 82-inch QLED television with three HDMI ports for \$1,999.99, a 25-pound bag of Purina complete cat chow for \$19.49, a Ninja 10-in-1 Foodi eight-quart pressure cooker for \$199.99, a set of eight Buddeez storage containers for \$19.99, a Berkley & Jensen private label 48-inch by 75-inch storage rack with six shelves for \$119.99, a 100-ounce bottle of Berkley & Jensen private label ultra dishwashing soap from for \$6.99 and a 276.2-ounce bottle of Arm & Hammer 159-load laundry detergent with Oxi for \$16.49.

**Costco** – The end cap assortment at Costco included: a set of eight Pyrex mixing bowls and lids for \$15.99, a four-piece Moen brushed nickel bathroom hardware set for \$39.99, an LG cordless stick vacuum for \$399.99, an 86-inch LG television with four HDMI ports for \$1,699.99, twelve 84-count boxes of Kirkland Signature private label three-ply facial tissue for \$14.99, a 40-count package of Duracell AAA batteries for \$16.99 and a one-foot by four-foot LED flat panel light from Artika for \$49.99.

**Sam's Club** – The end cap selection at Sam's Club included: a Beatrise carpeted cat tower for \$76.98, a Big Joe bean bag chair with a USB port for \$79.98, a 1,000-count case of Dart 12-ounce foam cups for \$35.98, a Samsung 82-inch LED television with two HDMI ports for \$1,497.99, an Ion total supreme Bluetooth speaker for \$199.98, a package of three 15-ounce bottles of Microban sanitizing spray for \$13.98 and a nine-cubic foot capacity chest freezer from Thomson for \$329.00.

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Sam's Club		2020 Sales			SKU			Pallet per Item			Average Retail			SKU					
Dept.	Category	Annual (mil)	PEN	SKU \$/WK/Club	2008	2018	2021	2008	2018	2021	2008	2018	2021	Wholesale			Retail		
Auto	Automotive	\$2,373	2.7%	\$363	229	187	152	0.5	0.4	0.4	\$95	\$95	\$93	64	89	51	165	98	101
Home Goods	Furniture, TV Stands/Mounts	\$421	0.5%	\$577	9	21	17	1.0	0.8	0.9	\$372	\$278	\$275	n/a	n/a	2	9	21	15
	Hardware, Tools	\$1,074	1.2%	\$556	35	37	45	0.8	0.5	0.9	\$130	\$100	\$121	25	14	26	10	23	19
	Home Furnishings, Lights, Plants	\$457	0.5%	\$760	22	16	14	0.7	0.8	0.5	\$34	\$61	\$17	4	n/a	n/a	18	16	14
	Housewares, Vacuums	\$483	0.5%	\$535	22	14	21	0.9	0.7	0.9	\$121	\$148	\$144	1	n/a	3	21	14	18
Majors	Kitchen Supplies	\$1,880	2.1%	\$644	83	76	68	0.5	0.5	0.5	\$22	\$27	\$25	68	45	31	15	31	37
	Appliances	\$868	1.0%	\$632	22	47	32	1.0	0.6	0.9	\$135	\$99	\$184	5	7	5	17	40	27
	Electronics - TV, Headphones, Tablets	\$2,990	3.3%	\$733	97	82	95	0.7	1.0	0.7	\$519	\$435	\$618	n/a	n/a	n/a	97	82	95
Sundries	Batteries, Cameras	\$197	0.2%	\$218	46	27	21	0.4	0.4	0.4	\$132	\$135	\$17	8	11	6	38	16	15
	Detergents, Cleaning Supplies, Fresheners	\$3,375	3.8%	\$786	100	103	100	0.7	0.8	0.8	\$10	\$12	\$14	61	49	40	39	54	60
	Paper Products	\$2,256	2.5%	\$973	54	61	54	0.8	0.8	0.8	\$17	\$16	\$18	51	49	42	3	12	12
	Pet	\$1,164	1.3%	\$589	37	55	46	1.0	0.8	0.9	\$17	\$26	\$25	22	24	20	15	31	26
	Plastic Items, Trash Bags, Tin Foil	\$1,835	2.0%	\$585	63	78	73	0.7	0.7	0.8	\$13	\$15	\$16	62	68	59	1	10	14
<b>Total</b>		<b>\$19,373</b>	<b>21.6%</b>	<b>\$611</b>	<b>819</b>	<b>804</b>	<b>738</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>\$119</b>	<b>\$101</b>	<b>\$134</b>	<b>371</b>	<b>356</b>	<b>285</b>	<b>448</b>	<b>448</b>	<b>453</b>

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Sam's Club End Cap Analysis						
NH - August, 2021						
Brand	Item	Package	Retail	Count	Value	
Beatrice	Carpeted Cat Tower	1 1 ct	\$76.98	4	\$308	
Big Joe	Bean Bag Chair - USB, Vibrate	1 1 ct	\$79.98	8	\$640	
Dart	Foam Cups - 12-ounce	1 1000 ct	\$35.98	12	\$432	
Ion	Total Supreme Bluetooth Speaker	1 1 ct	\$199.88	8	\$1,599	
Member's Mark	Fliplock Storage Containers	1 8 ct	\$29.98	64	\$1,919	
Microban	Sanitizing Spray	3 15 oz	\$13.98	360	\$5,033	
Ninja	Foodi XL Pressure Cooker	1 1 ct	\$215.98	24	\$5,184	
Samsung	Television - LED - 82-inch - HDMI (2)	1 1 ct	\$1,497.99	4	\$5,992	
Thomson	Chest Freezer - 9.0-cubic feet	1 1 ct	\$329.00	4	\$1,316	
Tide	Laundry Detergent Pods - Spring Meadow	4 42 ct	\$29.98	120	\$3,598	
<b>2021 Average End Cap</b>			<b>\$250.97</b>	<b>\$2,602</b>		

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### Category Observations

The following section provides observations and analysis from most of the categories within the automotive, home good, major and sundry departments.

**Fewer SKUs** – Each club has reduced its assortment of automotive, home goods, majors and sundry SKUs. BJ's decreased from 987 items in 2018 to 861 products in 2021. Costco decreased from 654 SKUs in 2008 to 601 items in 2018 to 567 products in 2021. Sam's Club decreased from 819 SKUs in 2008 to 804 items in 2018 to 738 products in 2021.

While there are different categories at each club that influenced the overall SKU decrease, the assortment reduction within cameras and batteries occurred universally. BJ's selection decreased from 51 items in 2008 to 24 SKUs in 2018 to 18 products in 2021. Costco's assortment decreased from 43 items in 2008 to nine SKUs in 2018 and 2021 and Sam's selection decreased from 46 items in 2008 to 27 items in 2018 to 21 products in 2021. The reason for the decrease in this category is the club channel reduced/eliminated their selection of cameras.

BJ's assortment decrease was influenced by: automotive (156 items in 2018 to 116 SKUs in 2021), paper products (109 products in 2018 to 64 items in 2021), pet (129 SKUs in 2018 to 95 products in 2021) and plastic items, trash bags and tin foil (94 items in 2018 to 71 SKUS in 2021).

Costco's selection decrease was influenced by: televisions, headphones and tablets (80 products in 2008 to 65 items in 2021) and plastic items, trash bags and tin foil (50 SKUs in 2008 to 31 products in 2021). Sam's assortment decrease was influenced by: automotive (229 items in 2008 to 152 SKUs in 2021) and kitchen supplies (83 products in 2008 to 68 items in 2021).

**Wholesale Selection** – The targeted member sections clearly show that the assortment reduction discussed in the previous section can be directly attributed to each club focusing less on its wholesale members.

First, if you look at the consumer selection at each club, the number of items has been generally consistent. BJ's consumer assortment increased slightly from 702 items in 2008 to an average of 729 SKUs in 2018 and 2021. Costco's consumer selection increased slightly from 429 products in 2008 to 438 items in 2018 and 2021 (see picture on the right of an Oster French door air fry oven for \$199.99). The consumer selection at Sam's increased slightly from 448 SKUs in 2008 and 2018 to 453 products in 2021.

However, the wholesale selection decreased dramatically at each club. BJ's wholesale selection decreased from an average of 242 SKUs in 2008 and 2018 to 138 items in 2021. Costco's wholesale assortment decreased from 225 products in 2008 to 129 SKUs in 2021. Sam's wholesale selection is still the largest among the three clubs but it decreased from 371 items in 2008 to 285 products in 2021.

**Automotive** – Some of the unique automotive items included: a Royal license plate holder with a wireless and solar powered backup camera and a 4.3-inch monitor with three stands/mounts for \$129.99 (BJ's), a 36-inch by 53-inch trim-to-fit universal cargo mat from Michelin (see picture on the left) for \$29.99 (Costco) and a Chamberlain wireless smart garage hub with one sensor that provides real time alerts for \$29.88 (Sam's).



**Furniture, TV Stands/Mounts** – As opposed to Costco which considers furniture a seasonal category, BJ's and Sam's tend to stock furniture for most of the year. BJ's furniture selection included: a Riley leather reclining chair from Abbyson for \$599.99, a Riley leather reclining loveseat from Abbyson for \$899.99 and a Fordham leather reclining sofa for \$699.99.

The furniture assortment at Sam's Club included: a Cole & Rye lounge chair for \$149.98, an Emmitt swivel accent chair with a flared arm for \$299.98, a Livingston 70-inch Member's Mark private label console with X-doors for \$499.00 and a Serta leather home theatre power recliner for \$399.00.

Annually, in January and February (after the winter/holiday assortment sells through and before the spring/summer selection arrives) and in July and August (after the spring/summer selection sells through and before the winter/holiday assortment arrives), Costco stocks an assortment of furniture as a buffer for that merchandising space.

For example, Costco stocked: an Ashlyn counter height dining set from Bayside Furnishings for \$899.99, a Cordoba 70-inch accent console from Craft & Main for \$549.99, an Arlie fabric pushback recliner from Synergy Home for \$289.99, a Kitteridge door chest from Universal Broadmoore for \$699.99, a Kitteridge gentlemen's chest with nine drawers from Universal Broadmoore for \$699.99 and a Wingate dresser with six drawers from Universal Broadmoore for \$429.99.

**Hardware, Tools** – Generally, Costco views hardware differently than BJ's and Sam's. Costco will rotate unique hardware items throughout the year rather than keeping the assortment generally consistent over time as does BJ's and Sam's.

For example, Costco's hardware assortment included: an American Standard 1.25-horsepower food waste disposer for \$99.99, a Cypress Home multi-use wall shelf that can support 48.5-pounds and included mounting hardware for \$18.99, a Precision Sensors stud finder with two AA Duracell batteries and three pencils for \$29.99 (see picture above), a 20-inch by 24-inch medicine cabinet with a mirror front from Kohler for \$124.99, a Toto elongated washlet bidet toilet seat for \$319.99, a Trinity 24-inch by 55-inch five-tier narrow rack that can support 250-pounds and included wheels for \$49.99, a 2,000-psi power washer from Husqvarna for \$189.99, a Kohler elongated anti-bacterial toilet seat for \$24.99 and a Trinity stainless steel utility sink with a pull down faucet for \$259.99.



Costco—Stud Finder



BJ's—Atomi Smart Bulbs

**Home Furnishings, Lights, Plants** – Costco and BJ's stocked Feit Electric light bulbs. For example both companies stocked A19 size 60-watt equivalent LED dimmable daylight and soft light bulbs. BJ's stocked eight-count packages of both items for \$18.99 or \$2.37 per bulb and Costco stocked six-count packages of both items for \$12.99 or \$2.17 per bulb.

Some of the unique home furnishing, light and plant SKUs included: two Atomi A19 size 60-watt equivalent LED color smart light bulbs (see picture on the left) for \$24.99 (BJ's), a Philips Hue white ambiance starter kit with two bulbs and a controller for \$69.99 (BJ's), a 30-inch by 45-inch new generation accent rug from Mohawk Home for \$14.99 (Costco), an 18-inch wide by 15-foot long roll of shelf liner from Con-Tact for \$19.99 (Costco), a set of two Feit Electric wall receptacles (each with two outlets and two USB ports) for \$17.99 (Costco) and a set of two Globe Electric rechargeable soft touch silicone dinosaur-shaped LED tap lights with a remote control and a 30-minute timer (see picture on the right) for \$29.98 (Sam's).



Sam's—Dinosaur Tap Light

**Housewares, Vacuums** – The houseware and vacuum selection at BJ's included: a set of four 14-quart capacity Bella grip and go clear containers with lids for \$16.99, a three-tier Berkley & Jensen shoe/utility rack for \$26.99, a ten-count set of space saving bags (three medium, three large, two extra-large and two travel) from Magic Bag for \$14.99 and a set of four 12-inch by 12-inch project boxes and lids from Storex for \$19.99. Costco's houseware and vacuum assortment included a set of two Trinity bamboo and metal shoe racks for \$39.99.



Sam's—Media Tray

The houseware and vacuum assortment at Sam's included: a collapsible hamper with a bamboo frame from the Closet Company for \$21.98, a set of two 13-inch by 13-inch folding bins with a bamboo rim from the Closet Company for \$21.98, a set of two grey or brown woven baskets from Member's Mark for \$14.98 and a home media tray with collapsible legs from Rossie Home for \$24.98 (see picture on the left).

**Kitchen Supplies** – Several unique kitchen supply items were observed at each club. BJ's kitchen assortment included: a set of two 64-ounce insulated bottles that can keep water hot for 12 hours and water cold for 24 hours from Berkley & Jensen for \$39.99, a 12-piece set of Berkley & Jensen smart seal containers and lids for \$39.99 and a set of three 1.5-gallon cereal storage bins from Rubbermaid for \$15.99.



Costco—White Ceramic Bowls

The kitchen supply selection at Costco included: a 12-piece German stainless steel knife set from Cangshan for \$129.99, a five-piece knife set from Cuisinart (chef, bread, santuko, paring and utility) with blade guards for \$24.99, a set of six 27-ounce ceramic white bowls from the CWC control label for \$12.99 (see picture on the left), a set of three iDesign beverage bins (one that fits 16.9-ounce bottles of water and two that fit 12-ounce cans of soda) for \$19.99 and a 40-piece trellis bone China dinnerware set from Mikasa for \$99.99.

Sam's kitchen supply selection included: a three-piece Martha Stewart bakeware set for \$24.98, a 14-piece non-stick aluminum cookware set from Martha Stewart for \$99.98, a seven-quart cast iron Dutch oven from Martha Stewart for \$39.98, an eight-piece Member's Mark bowl and plate set that is microwavable and dishwasher safe for \$24.98, a 28-piece children's tableware set from Mighty Goods for \$19.98 (see picture on the right) and a two-piece New England Patriots themed drinkware set with a 30-ounce blue tumbler and a 32-ounce red water bottle for \$29.98.



Sam's—Children's Tableware Set

**Appliances** – All three club stocked Ninja appliance SKUs. Most of the Ninja items were stocked by one club. BJ's stocked: a 5.5-quart digital XL air fryer from Ninja for \$119.99, an eight-quart Foodi ten-in-one pressure cooker from Ninja for \$219.99 and a five-in-one smoke free Foodi air grill from Ninja for \$189.99. Costco stocked: a Foodi indoor grill with a smart thermometer, a 10-inch by 10-inch grate and a splatter shield from Ninja for \$179.99, a Foodi power blender and food processor from Ninja for \$129.99 and a pro blender 1000 from Ninja for \$69.99.

Sam's stocked: a Ninja auto-IQ blender duo that can make smoothies, crush ice and extract juice for \$99.98, a Ninja coffee maker for \$129.98, a Foodi digital air fry oven that will also work as a convection oven and a toaster from Ninja for \$167.98, a Foodi XL grill from Ninja for \$215.98, a Ninja blender system with a smart screen for \$149.98 and an auto-IQ nutri Ninja blender and 18-ounce, 24-ounce and 32-ounce cups with travel lids for \$69.98.

Other appliance SKUs included: a Power XL air fryer grill with a grill plate, crisper tray, baking pan, pizza rack and drip tray for \$129.99 (BJ's), a Power XL smokeless grill pro for \$99.99 (BJ's), a Shaq smokeless grill and panini press (see picture on the right) for \$89.98 (Sam's) and an LG 7.4-cubic foot capacity WIFI dryer for \$895.00 (Sam's).

**Electronics – Televisions, Headphones, Tablets** – The entire selection of televisions 45-inches and smaller was recorded. BJ's stocked ten SKUs (three from Samsung, two each from Westinghouse and TCL and one each from Magnavox, Vizio and LG). Sam's stocked seven items (three from Samsung and two each from Vizio and TCL) and Costco stocked three products (one each from Samsung, TCL and Hisense).



Sam's—Shaq Indoor Grill, Press

Of the entire assortment of 45-inch and smaller televisions, five were stocked by two clubs and one was stocked by all three clubs. Of BJ's ten SKUs, four were only stocked at BJ's. Of Sam's seven items, two were only stocked at Sam's. Of Costco's three items, one was only stocked at Costco.

The only item stocked at all three clubs was a 43-inch LED television from Samsung with two HDMI ports (43TU700D) for \$397.99 at Sam's, \$399.99 at Costco and \$469.99 at BJ's. Other 43-inch and smaller televisions included: a 24-inch 720p television from Westinghouse with two HDMI ports for \$99.99 at BJ's (WD24HJ1100), a 32-inch 720p television from TCL with two HDMI ports (32S330) for \$189.99 at BJ's and \$169.99 at Costco, a 32-inch 720p television from Hisense with three HDMI ports for \$174.99 at Costco (32H4G5) and a 43-inch LED television from TCL with four HDMI ports (43S433) for \$339.99 at BJ's and \$339.00 at Sam's.

The entire selection of televisions 75-inches and larger was recorded. BJ's stocked nine SKUs (six from Samsung, two from LG and one from Sony). Sam's stocked 13 items (eight from Samsung, four from LG and one from Sony) and Costco stocked 13 products (six from LG, five from Samsung and two from Sony).

Of the entire assortment of 75-inch and larger televisions, nine were stocked by two clubs and one was stocked by all three clubs. Of BJ's nine SKUs, one was only stocked at BJ's. Of Sam's 13 items, four were only stocked at Sam's. Of Costco's 13 items, nine were only stocked at Costco.



The only item stocked at all three clubs was 83-inch QLED television from Samsung with three HDMI ports (QN82Q6DT) for \$1,999.99 at BJ's, \$1,699.99 at Costco and \$1,697.99 at Sam's. Other 75-inch and larger televisions included: an LG 86-inch LED television with four HDMI ports for \$2,099.99 at BJ's (86NAN075), an 85-inch LED television from Sony with four HDMI ports for \$2,499.99 at Costco (KD85X91CJ), an 85-inch QLED television from Samsung with four HDMI ports for \$2,797.99 at Sam's (QN85Q8DAA) and an 85-inch LED television from Samsung with two HDMI ports (85TU800D) for \$1,999.99 at BJ's and \$1,797.99 at Sam's.

Other electronic items included: Bose quiet comfort 35 on-ear noise canceling wireless headphones for \$269.99 (BJ's), JBL on-ear wireless headphones for \$62.99 (BJ's), a package of two Tahiti wireless solar Bluetooth speakers for \$119.99 (BJ's), Bose NC700 on-ear noise canceling wireless headphones with a charging case for \$379.99 (Costco), an Ion total PA prime Bluetooth speaker with a microphone, cable, stand and power cable for \$199.99 (Costco) and a Bose solo soundbar II for \$179.88 (Sam's).



BJ's—Arm & Hammer Exclusive

**Batteries, Cameras** – The AA and AAA private label battery assortment at each club was recorded. Each club stocked a 48-count package of AA batteries for: \$16.99 at BJ's for Berkley & Jensen, \$15.98 at Sam's for Member's Mark and \$13.99 at Costco for Kirkland Signature. Each club stocked a 48-count package of AAA batteries for: \$16.99 at BJ's for Berkley & Jensen, \$15.98 at Sam's for Member's Mark and \$13.99 at Costco for Kirkland Signature.

**Detergents, Cleaning Supplies, Fresheners** – BJ's stocked an exclusive powdered laundry detergent SKU. BJ's stocked a 288-ounce bucket of powdered laundry detergent that can wash 290 loads from Arm & Hammer for \$22.99 (see picture on the left).

The entire laundry detergent pod assortment was recorded at each club. BJ's stocked 11 SKUs (six from Tide, two from All and one each from Berkley & Jensen, Gain and Persil). Sam's stocked six products (two each from Tide and Member's Mark and one each from All and Gain). Costco stocked two items (one each from Kirkland Signature and Tide).

Only two items were stocked at more than one club: a case of four 42-count bags of Tide spring meadow laundry detergent pods for \$29.98 at Sam's and \$29.99 at BJ's and Costco and case of four 38-count bags of Gain flings laundry detergent pods for \$27.48 at Sam's and \$27.99 at BJ's.

BJ's and Sam's each stocked two of the same items in different package sizes. Sam's stocked a case of four 26-count bags of Tide laundry detergent pods with Oxi for \$24.48 or 23.5-cents per pod and BJ's stocked an 88-count container of Tide laundry detergent pods with Oxi for \$22.99 or 26.1-cents per pod. Sam's stocked a 120-count container of All free and clear laundry detergent pods for \$16.98 or 14.2-cents per pod and BJ's stocked a 134-count container of All free and clear laundry detergent pods for \$18.99 or 14.2-cents per pod.

BJ's and Costco stocked two interesting crossover products. Both items are not only purchased for home use but can be purchased by a business and resold. Costco stocked a case of four 23-count bags of Cascade platinum action dish detergent pacs for \$19.99 (see picture on the right). BJ's stocked a case of five 35-ounce bags of Ariel powdered laundry detergent (22 loads each) for \$12.99.



Costco—Cascade Dishwasher Pacs

**Pet** – All three clubs stocked private label adult lamb and rice dry dog food in different package sizes: BJ's stocked a 30-pound bag of Berkley & Jensen for \$29.99 or \$1.00 per pound, Costco stocked a 40-pound bag of Kirkland Signature for \$31.89 or 79.7-cents per pound and Sam's stocked a 35-pound bag for \$29.98 or 85.7-cents per pound.



Sam's—Dog Food—Scan & Go Savings

On select items, Sam's is offering additional discounts on products purchased through its Scan & Go mobile application. For example, Sam's stocked a 30-pound bag of Member's Mark adult grain free salmon and pea dry dog food for \$29.98. As can be seen from the picture on the left, if the item is purchased through Scan & Go, the price will be \$26.98.

The entire dry dog food selection was recorded at each club. Costco's entire assortment was under either Kirkland Signature or co-branded under Kirkland Signature and Nature's Domain. The following are some of the branded items that were just stocked by either BJ's or Sam's: a 50-pound bag of lams adult large breed chicken dry dog food for \$49.99 (BJ's), a 55-pound bag of adult complete dry dog food from Pedigree for \$25.99 (BJ's), a 50-pound bag of adult beef nutritish dry dog food from Rachel Ray for \$48.99 (BJ's) and a 48-pound bag of Beneful adult healthy weight chicken dry dog food from Purina for \$37.98 (Sam's).

## Costco Wholesale

### Costco Reports August, 2021 Sales

*Globe Newswire* – September 1, 2021

Costco reported August, 2021 worldwide sales increased 16.2% from \$13.56 billion last year to \$15.75 billion this year. It is estimated that national sales increased 14.2% to \$11.34 billion and international sales increased 21.4% to \$4.41 billion.

Costco reported overall comparable sales increased 14.2% with United States locations increasing 14.7%, Canadian locations increasing 13.4% and other international locations increasing 12.2%. Excluding gasoline and foreign currency exchange (gas/fx), overall comparable sales increased 9.1% with United States locations increasing 10.1%, Canadian locations increasing 5.2% and other international locations increasing 7.3%. Online sales increased 2.8%.

Costco reported average worldwide member traffic increased 7.1% compared to last year. Costco's average transaction increased 7.1% including gas/fx and increased 2.0% excluding gas/fx.

In terms of comparable sales by department, food and sundries increased in the mid to high single digits (candy and sundries were the stronger categories), fresh foods increased in the mid to high single digits (service deli, deli and bakery were the stronger categories), non-foods increased in the mid to high single digits (housewares, sporting goods, jewelry and domestics were the stronger categories) and ancillary businesses increased in the mid 40s (gasoline, food court and pharmacy were the stronger departments). Regionally and internationally, comparable sales were strong in Texas, the Southeast, Los Angeles, Mexico, Korea and Taiwan.

Costco ended the month with 815 worldwide locations including: 560 in the United States, 105 in Canada, 39 in Mexico, 30 in Japan, 29 in the United Kingdom, 16 in Korea, 14 in Taiwan, 12 in Australia, four in Puerto Rico, three in Spain and one each in Iceland, France and China.

## 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 an August 17, 2021 press release, all Sam's Club locations nationally (except in Alaska) use a digital kiosk system to inform and promote AT&T wireless, television and broadband services to members. The system enables AT&T to present a consistent message to members nationally and allows for instant updates of product offerings and pricing. The setup includes two 50-inch monitors and four 38-inch LCD screens that primarily display cost information. Each kiosk includes a "toolbox" with the necessary tools, spare parts and cleaning supplies to keep the setup functional and "looking like new".
- According to a July 29, 2021 report from the *Shenzhen News*, Sam's recently introduced the following Member's Mark private label products in China. The items included: moon cakes, wine, whiskey, snacks, cereal and oils. Sam's began stocking Member's Mark products in China in 2000 with a total of approximately 700 items currently.
- According to an August 19, 2021 press release, codeSpark Academy, a learn-to-code application for kids, is offering a special subscription deal for Sam's Club members. The learn-to-code program provides children with the skills to program their own video games and interactive stories. Sam's Club members will receive a 30 day free trial subscription and member only pricing that includes a 20% discount for traditional members and a 25% discount for plus members.
- According to an August, 2021 article in the *Costco Connection*, Costco introduced a Kirkland Signature private label plant based liquid laundry detergent. The product is 100% plant based and does not include any synthetic or petroleum-derived sources. The bottle is made with 80% post-consumer resin and 17% plant based resin. The Costco buyer said, "In terms of sustainability, we felt there was an opportunity to create a meaningfully better solution for fabric care ... Often, when you buy sustainable, there an assumption that performance compromise will take place ... We wanted to be sure that members got a product that was going to perform similarly to a mainline product in terms of stain removal and fragrance intensity."