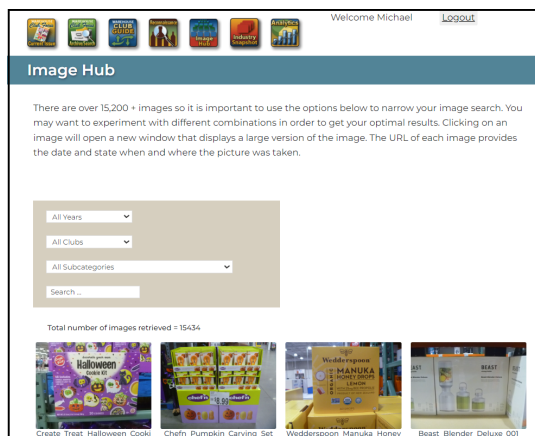


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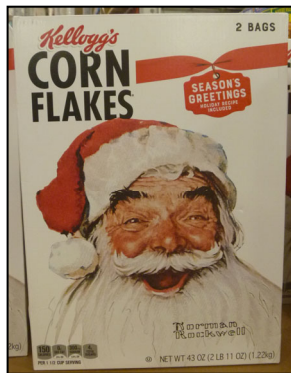
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- Costco October Sales—9.
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## 2021 Winter and Holiday Programs

This article analyzes the winter and holiday programs stocked at BJ's, Costco and Sam's Club. Locations in Massachusetts and New Hampshire were visited in November, 2021 to gather data and information for this article. The winter and holiday programs include eight categories: winter non-food products, holiday kitchen and bathroom items, holiday gift and accessories, holiday decorations, holiday grocery products, holiday perishable SKUs, holiday candy and holiday gift baskets.

The following article includes eight sections: background, seasonal buying strategies, winter, holiday food, holiday non-food (see picture on the right from BJ's of a 22-inch Berkley & Jensen private label red tinsel wreath for \$34.99), toy observations, online and Sam's Club extras.



Sam's—Kellogg's Corn Flakes

### Background

**Seasonal Determination** – For the purposes of this analysis, winter and holiday items are primarily stocked between September and December, generate a majority of their annual sales from September to December or can be a seasonally themed or packaged item that may also stocked on an everyday basis beyond the September to December time period (see picture on the left from Sam's Club of a 43-ounce box of Kellogg's corn flakes with a picture of a Norman Rockwell painting of Santa Claus on the front for \$5.98).



Items in the following categories are not counted for this winter and holiday analysis: bread and bakery, apparel (except for some outdoor items like gloves, hats and boots), frozen appetizers, toys and video games, books and music.

**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 within each club operator from state and 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 understanding, the 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 are made to assure the accuracy of the data, no guarantees can be provided. BJ's, Costco and Sam's Club do not endorse the data presented in this article. 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.

**2021 Item Data Charts** – The charts on pages three and five show the number of SKUs and the average retail price for each club and category from 2011, 2016, 2019, 2020 and 2021. The charts also include three additional columns, the percentage of items per category and the percentage of private label items per category that were also stocked the previous year (duplicate).

For example, in the chart on page three, Costco stocked 23 holiday candy items in 2021. Of that total, 48% or 11 products were also stocked in 2020. Additionally, in the chart on page three, Costco's holiday food assortment included six private label items in 2021. Of that total, 83% or five SKUs were also stocked in 2020.

### Seasonal Buying Strategies

Seasonal programs are an important part of the club business. From a merchandising perspective, seasonal items reinforce the treasure hunt atmosphere in the clubs. From a vendor perspective, buyers can be creative when it comes to purchasing seasonal items.



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For example, Costco stocked an 18.2-ounce Swiss chocolate turkey wrapped in gold foil with a package of chocolate covered marshmallows inside from Ruben's for \$19.99 (see picture on the right). The following are guidelines vendors should consider when preparing and presenting seasonal items to club buyers.

**Club Seasons** – In the club channel, there are two primary seasonal categories, spring and summer merchandise is stocked between February and June and winter and holiday items are stocked between September and December. Club buyers do stock merchandise for other (secondary) holidays such as: St. Patrick's Day, Easter, Valentine's Day, Mother's Day, Father's Day, Halloween and the Super Bowl. However, in comparison to spring and summer

Costco		SKU					Duplicate			Average Retail				
Season	Category	2011	2016	2019	2020	2021	2019	2020	2021	2011	2016	2019	2020	2021
Holiday Food	Grocery	12	15	19	27	23	53%	37%	48%	\$16	\$12	\$14	\$17	\$14
	Perishable	n/a	n/a	8	3	1	13%	33%	n/a					
	Candy	21	14	16	23	23	44%	35%	48%					
	Gift Basket	10	5	4	5	3	n/a	n/a	n/a					
	<b>Total</b>	<b>43</b>	<b>34</b>	<b>47</b>	<b>58</b>	<b>50</b>	<b>38%</b>	<b>33%</b>	<b>44%</b>					
	Private Label	6	4	6	8	6	67%	63%	83%					

WCF Research

BJ's Wholesale		SKU					Duplicate			Average Retail				
Season	Category	2011	2016	2019	2020	2021	2019	2020	2021	2011	2016	2019	2020	2021
Holiday Food	Grocery	17	13	15	19	14	47%	32%	29%	\$15	\$17	\$15	\$15	\$15
	Perishable	1	1	7	6	4	29%	67%	75%					
	Candy	29	27	18	33	29	33%	27%	34%					
	Gift Basket	14	17	11	15	8	n/a	n/a	n/a					
	<b>Total</b>	<b>61</b>	<b>58</b>	<b>51</b>	<b>73</b>	<b>55</b>	<b>29%</b>	<b>26%</b>	<b>31%</b>					
	Private Label	7	7	1	3	4	n/a	33%	25%					

WCF Research

Sam's Club		SKU					Duplicate			Average Retail				
Season	Category	2011	2016	2019	2020	2021	2019	2020	2021	2011	2016	2019	2020	2021
Holiday Food	Grocery	13	12	21	30	30	43%	37%	37%	\$15	\$15	\$15	\$14	\$14
	Perishable	n/a	2	8	4	8	25%	n/a	13%					
	Candy	13	15	26	28	26	42%	43%	31%					
	Gift Basket	16	14	13	14	15	31%	14%	20%					
	<b>Total</b>	<b>42</b>	<b>43</b>	<b>68</b>	<b>76</b>	<b>79</b>	<b>38%</b>	<b>33%</b>	<b>29%</b>					
	Private Label	2	1	4	3	4	100%	100%	75%					

WCF Research

(avoiding markdowns). Costco stocked an animated Disney Christmas tree with music for \$99.99 (see picture on the right).

**Margins** – Generally, seasonal merchandise margins at Costco will range from 12% to 14%, which is higher than its traditional margins of 8% to 12%. Sam's seasonal merchandise margins will likely range from 12% to 16% and BJ's seasonal merchandise margins will likely range from 12% to 20%. BJ's is much more likely than Costco and Sam's Club to generate higher returns on non-competitive items.

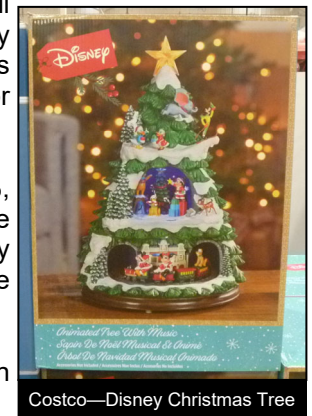
**Product Demonstrations** – Product demonstrations (especially for food items) are an important part of a seasonal program and vendors need to include these in their plans.



Costco—Chocolate Turkey

**Present Early** – Vendors should prepare their sales strategies at least one year before a season. That preparation should include a visit to each club to analyze their respective seasonal assortment from the prior year. Buyer meetings should begin at least eight to ten months prior to the targeted season.

**First In, First Out** – Compared to other retail operators, the clubs will stock seasonal merchandise early (so members see their programs first) and sell through that inventory before the season ends.



Costco—Disney Christmas Tree

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**Merchandise Guarantee/Markdown** – The clubs are very conscious of moving out of a season with as little inventory as possible. They may negotiate with a vendor to guarantee the sale of an item by taking back any unsold merchandise or ask for markdown funds if an item's sales were below plan. This effort to be clean after a season is to create immediate room for the upcoming season's merchandise.

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winter SKUs, five of which were under its Berkley & Jensen brand. The following are observations from the winter holiday programs at each club.

**BJ's** – The winter selection at BJ's included: a Berkley & Jensen 5,100-btu indoor or outdoor patio heater that is wind and rain resistant for \$149.99, a Berkley & Jensen wood burning fire pit for \$179.99, a case of nine 4.5-pound Duraflame gold fire logs for \$27.99 (Sam's stocked the same item for \$24.98), a case of forty 4.5-ounce Duraflame quick start fire starters for \$16.99 (Sam's stocked the same item for \$13.97), an ONIX portable oscillating ceramic heater for \$29.99 (a BJ's exclusive item, see picture on the right), a 0.5-cubic foot bundle of kiln dried firewood logs from Simple Simon for \$7.99 and a Snow Joe 18-inch electric snow blower for \$219.99.



Costco—Greenworks Cordless Snow Blower

**Costco** – The winter assortment at Costco included: a set of two Boss deerskin winter work gloves for \$24.99, an 84-inch by 90-inch heated blanket from Brookstone for \$79.99, a Greenworks 22-inch cordless snow blower with batteries and a charger from Greenworks for \$699.99 (see picture on the left), a 30-pair case of Little Hotties toe warmers for \$13.99, a Polarmade 28-inch wide snow plow shovel for \$39.99, a pair of Spyder core conduct gloves for \$14.99, a 17-inch by 35-inch rubber boot tray from Step Guard for \$9.99, a 20-inch Suncoast shovel with a foam grip and a galvanized wear strip for \$19.99 (Sam's stocked the same item for \$19.98), a pair of Tech Gear mobile heated gloves with a waterproof lining and a five-volt lithium battery for \$99.99 and a Vornado vortex whole room heater for \$84.99.

**Exclusivity** – The clubs pride themselves on discovering new and interesting items and want those products sold exclusively to them. Having a member know he can only purchase an item at one club is important for a club buyer. For example, Sam's was the only club to stock a 31.25-ounce limited edition box of Swiss Miss holiday-themed cocoa puffs cereal from General Mills for \$5.64 (see picture above).



Sam's—Swiss Miss Cocoa Puffs Cereal

Of the 401 winter and holiday items that were stocked at all three club operators in 2021, just 12 SKUs (with the same packaging configuration) were stocked by two clubs and just one item (with the same packaging configuration) was stocked by three clubs.

### Winter

Winter products are defined as non-holiday items that are stocked from September to December. Costco stocked the most winter SKUs among the three clubs with 34 items, none of which were under its Kirkland Signature private label brand. Costco's 2021 winter assortment was significantly higher than its 2019 selection at 20 items and higher than its 2020 assortment at 28 products. Sam's stocked 24 winter products, five of which were under its Member's Mark brand and BJ's stocked 23



BJ's—ONIX Oscillating Heater



**Sam's Club** – Some of the unique winter items at Sam's Club included: a Big Buddy portable liquid propane radiant heater with a fan for \$129.98 (see picture on the right), a set of two emergency shovels from Bird Rock Home (one blue and one black) for \$26.98 (Costco stocked the same product with both shovels in red for \$26.99), a Bond portable gas fire pit for \$129.98, a pair of Member's Mark kids snow boots for \$14.98, a Member's Mark 58-inch snow broom and a hand scraper for \$15.98, a Member's Mark infrared tower heater with a remote control for \$79.98 (Sam's stocked this item last year), a set of two Muddy rechargeable hand warmers with a waterproof housing for \$39.98 (Sam's stocked this item last year), a Peet executive shoe dryer with four drying ports for \$59.98, a 25-pound bag of Road Runner pet friendly ice melt for \$14.98 and a Snow Joe 10-inch cordless 24-volt snow shovel with a battery and a

charger for \$99.98.



Sam's—Big Buddy Radiant Heater

### Holiday Food

Sam's Club stocked the largest holiday food assortment with 79 items, two of which were under its Member's Mark brand and two of which were under its SCM Designs control label. The 2021 holiday food assortment at Sam's Club was higher than its 2019 selection at 68 products and its 2020 assortment at 76 items. Costco stocked 50 holiday food items, six of which were under its Kirkland Signature brand. Costco's 2021 holiday food assortment was lower compared to 2020 when it stocked 58 items but higher compared to 2019 when it stocked 47 SKUs.



Sam's—Fun Sweets Cotton Candy

BJ's stocked 55 holiday food products, four of which were under its Wellesley Farms private label brand. BJ's 2021 holiday food selection was significantly lower compared to 2020 when it stocked 70 products but higher compared to 2019 when it stocked 50 SKUs. BJ's more dramatic assortment reduction in 2021 could be due to late arriving product as a result of supply chain challenges. The following are observations from some of the holiday food categories at each club.

**Seasonal Themes, Packages** – One of the holiday strategies at Sam's Club that is unique compared to BJ's and Costco is its use of seasonal themes and/or packaging on items that are typically stocked year-round. Those items included: a 34.75-ounce box of holiday themed sugar cookie toast crunch cereal from General Mills for \$4.98, a 12-tub case of Fun Sweets holiday cotton candy (four each of candy cane, hot cocoa and vanilla snow) for \$9.98 (see picture above), a case of eighty-five 0.5-ounce packages of Welch's fruit snacks with Santa and a Christmas theme on the packaging for \$9.98, a box of fifty-two 0.39-ounce mini rice krispie treats with a holiday theme and snow globe on the packaging from Kellogg's for \$6.87 (see picture on the left), a winter-themed box of Nabisco oreos with thirty 1.02-ounce packages of double stuff oreos (two per pack) and fifteen 0.72-ounce packages of white fudge covered oreos for \$11.98, a 32-count package of Hostess holiday-themed twinkies (16) and cupcakes (16) for \$7.98 and a 24-ounce bag of Xochitl red and green corn chips for \$4.98.



Sam's—Kellogg's Mini Squares

**BJ's** – The holiday grocery assortment at BJ's included: a Create-A-Treat cookie decorating kit with candy, icing and 16 cookies for \$10.99, a 30.25-ounce Create-A-Treat oreo cookie house for \$12.99 (see picture on the right), a 72-count box of Starbucks holiday blend Kcups for \$37.49 (Costco stocked the same item for \$29.99) and four 6.9-ounce Swiss Miss holiday tins of hot chocolate (one each of chocolate, peppermint, marshmallow and caramel) for \$12.99.



BJ's—Oreo Cookie House

Costco		SKU					Duplicate			Average Retail				
Season	Category	2011	2016	2019	2020	2021	2019	2020	2021	2011	2016	2019	2020	2021
Winter	Non-Food	25	31	20	28	34	40%	32%	53%	\$80	\$48	\$102	\$25	\$68
	Total	25	31	20	28	34	40%	32%	53%					
	Private Label	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a					
Holiday Non-Food	Kitchen, Bathroom	3	5	3	3	4	n/a	n/a	n/a	\$46	\$50	\$58	\$53	\$55
	Gift, Accessories	15	11	8	9	9	75%	56%	78%					
	Decorations	31	39	37	34	29	24%	9%	24%					
	Total	49	55	48	46	42	31%	17%	33%					
	Private Label	27	38	34	29	27	38%	24%	37%					

WCF Research

BJ's Wholesale		SKU					Duplicate			Average Retail				
Season	Category	2011	2016	2019	2020	2021	2019	2020	2021	2011	2016	2019	2020	2021
Winter	Non-Food	30	48	26	20	23	35%	40%	30%	\$70	\$38	\$47	\$43	\$92
	Total	30	48	26	20	23	35%	40%	30%					
	Private Label	n/a	n/a	2	1	5	50%	100%	n/a					
Holiday Non-Food	Kitchen, Bathroom	17	14	27	20	6	n/a	5%	n/a	\$41	\$39	\$35	\$36	\$51
	Gift, Accessories	19	28	18	18	13	50%	61%	54%					
	Decorations	52	68	42	43	54	48%	53%	44%					
	Total	88	110	87	81	73	33%	43%	42%					
	Private Label	30	25	32	30	44	44%	63%	39%					

WCF Research

Sam's Club		SKU					Duplicate			Average Retail				
Season	Category	2011	2016	2019	2020	2021	2019	2020	2021	2011	2016	2019	2020	2021
Winter	Non-Food	27	22	29	21	24	48%	48%	29%	\$90	\$46	\$41	\$38	\$58
	Total	27	22	29	21	24	48%	48%	29%					
	Private Label	n/a	n/a	3	3	5	33%	33%	40%					
Holiday Non-Food	Kitchen, Bathroom	11	7	5	7	6	60%	43%	50%	\$36	\$55	\$63	\$47	\$44
	Gift, Accessories	9	6	10	10	9	60%	60%	78%					
	Decorations	28	23	36	22	20	39%	59%	60%					
	Total	48	36	51	39	35	45%	56%	63%					
	Private Label	30	28	41	30	24	51%	63%	75%					

WCF Research

The holiday candy selection at BJ's included: a 40-count package of Brach's candy canes for \$5.99, a 17.5-ounce box of Demet's chocolate turtles for \$9.99 (BJ's stocked this item last year), a 20.21-ounce box of Dove assorted truffles for \$14.99 (Sam's stocked the same item for \$14.98), a 15.4-ounce box of golden gallery chocolate (42-pieces) from Ferrero for \$14.99 (Costco stocked the same item for \$13.99), a package of sixteen 1.6-ounce mini hot chocolate bombs (four each of milk chocolate, peppermint, double chocolate and salted caramel) for \$19.99, a 39.8-ounce bag of Reese's peanut butter Christmas trees (65-pieces) from Hershey for \$10.99 (Sam's stocked the same item for \$8.98), two 7-ounce chocolate teddy bears from Lindt for \$14.99 (see picture on the right), a 14.1-ounce box of Merci holiday chocolate for \$9.99 or 71-cents per ounce (Costco stocked a 23.81-ounce box of the same item for \$10.79 or 45-cents per ounce) and a 14.8-ounce box of Wellesley Farms Belgian chocolate for \$12.99.



BJ's—Lindt Teddy Bears

**Costco** – The holiday candy selection at Costco included: a 24-ounce bag of Bartons holiday mingle mix (dark chocolate covered pretzels, milk and dark chocolate covered caramel corn, milk and dark chocolate peanut butter cups, milk chocolate covered pretzel balls, nonpareils, chocolate sandwich cookie pieces and red gems) for \$9.49, a 32-ounce bag of Bouchard individually wrapped Belgian dark chocolate for \$11.79 and three 5.64-ounce boxes of Gudrun Belgian chocolate for \$11.99.

Some of the unique holiday grocery items observed at Costco included: a 60-ounce Create-A-Treat pre-built gingerbread house kit (the company's largest pre-built house) with one-pound of candy and icing for \$11.99 (see picture on the right), a 32-ounce tin/container of David's buttercream pecan meltaway cookies for \$9.99, an 11.25-ounce organic turkey brining kit with a poultry rub, master brine and brine bag from Kinder's for \$6.99, a 35.27-ounce package of Kirkland Signature cantuccini almond biscotti from Italy for \$8.59, a 44.48-ounce box of Le Chef caramel stroopwafel for \$9.59, a 21.16-ounce package of La Grande Galette French butter cookies from St. Michel for \$9.99 and a 26.6-ounce giant gingerbread man decorating kit from Stockmeyer for \$8.99.



Costco—Pre-Built House



Sam's—Reese's Half Pound Peanut Butter Cups

**Sam's Club** – The holiday candy selection at Sam's Club included ten items from Hershey. Some of those products included: a 35.28-ounce bag of assorted mint chocolate (mint Kit Kats, candy cane Kisses, mint truffle Kisses and York snowflakes) for \$10.48, a case of twenty-four 1.2-ounce full size bars of Reese's peanut butter Christmas trees for \$24.22, three 8-ounce half pound Reese's peanut butter cups for \$13.48 (see picture on the left), a 25.5-ounce package of stocking stuffers with 18 full size bars (six each of Kit Kats, chocolate sugar cookie bars and Reese's peanut butter Christmas trees) for \$12.98 and a 35.3-ounce bag of holiday mini candy with Reese's peanut butter cups, Kisses and chocolate bars for \$9.98.

Sam's holiday candy assortment also included: three 16-ounce packages of French dusted chocolate truffles from Chocmod for \$9.98, a 15-count package of Doscher's gourmet peppermint candy canes for \$14.98 and a 19-ounce bag of Lindt snicker doodle white chocolate truffles for \$9.98.

The gift basket selection at Sam's Club included: a 10.672-ounce Holiday Countdown gift basket from DesignPac with 24 treats that included chocolate, shortbread cookies, popcorn and chocolate truffles for \$16.98, an 11.57-ounce Gourmet Gifts gift basket from Ghirardelli with a glass bowl containing chocolate, cookies, popcorn and hot cocoa mix for \$24.98, a Handstand Kitchen hot chocolate bomb making kit with two silicone molds, a silicone spatula, a brush, a silicone melting pot and lid, stir sticks and 20 gift bags for \$19.98 (see picture on the right), a 62.72-ounce Charcuterie gift basket with a board, crackers, cheese, olives, mustard, tapas, preserves, snack mix and jerky from Houdini for \$39.98 and a 73.3-ounce Lasting Impression gift basket with a reusable basket, cookies, mustard, olives, popcorn, cheese spread and crackers for \$49.98.



Sam's—Cocoa Bomb Making Kit

Some of the unique holiday grocery items at Sam's Club included: a 54-count box of Dunkin Donuts egg nog spice Kcups for \$27.98, an 18-ounce bag of Fannie May peppermint s'mores snack mix for \$9.98, a 22-ounce Cheetos holiday tin with a 15-ounce bag of crunchy Cheetos and a seven-ounce bag of Cheetos popcorn from Frito Lay for \$8.98, a 49.4-ounce box of Member's Mark European chocolate cookies for \$11.98, a 24-ounce bag of Safe and Fair chocolate candy cane granola for \$7.67 and a 54.17-ounce pre-built gingerbread house kit from Wilton for \$11.98.



## Holiday Non-Food

BJ's stocked the most holiday non-food items with 73 SKUs, 44 of which were under its Berkley & Jensen brand. BJ's 2021 holiday non-food selection is smaller compared to its 2019 assortment of 87 SKUs and its 2020 selection of 81 products. Costco stocked 42 holiday non-food products, 27 of which were under its Kirkland Signature and CWC control label brands. Costco's 2021 holiday non-food selection is smaller compared to its 2019 assortment of 48 SKUs and its 2020 selection of 46 products.

Sam's stocked 35 holiday non-food SKUs, 24 were under its Member's Mark brand. Sam's 2021 holiday non-food selection is smaller compared to its 2019 assortment of 51 SKUs and its 2020 selection of 39 products. It is possible that the smaller 2021 holiday non-food assortment at each club may be due to late arriving product as a result of supply chain challenges. The following are observations from some of the holiday non-food categories at each club.



BJ's—Berkley & Jensen Greenery Set

**BJ's** – Some of the unique holiday non-food products at BJ's included: a 15-count package of Berkley & Jensen gift bags for \$14.99, four Berkley & Jensen gift card holders for \$8.99, a 42-inch Berkley & Jensen candy cane for \$59.99, a seven-foot Christmas tree from Berkley & Jensen with 350 multicolor LED lights, a metal tree stand and on/off foot pedal for \$119.99, a six-piece pre-lit greenery set with a 24-inch wreath, two 9-foot garlands, two 4-foot porch trees and a 15-inch wreath hanger from Berkley & Jensen for \$139.99 (see picture on the left), a 72-inch pre-lit decorated Berkley & Jensen lamp post for \$59.99, an 11-piece children's nativity set from Berkley & Jensen for \$19.99, a 60-inch outdoor pre-lit wreath from Berkley & Jensen for \$179.99, a nine-foot Christmas tree with 1,000 color LED lights from Sylvania for \$349.99 and two outdoor Sylvania digital timers that turn power on at dusk and off at dawn for \$16.99.

**Costco** – The holiday non-food SKUs at Costco included: a holiday ceramic Santa cookie tray from CWC for \$19.99 (see picture on the right), a 24-piece dog advent calendar with eight toys and 16 treats from Delca for \$37.99, a 7.5-foot Christmas tree with 1,850 micro LED lights from CWC for \$399.99, a set of 18 hand decorated glass ornaments from CWC for \$25.99, a twenty-inch wide by 19.4-inch tall oversized battery operated indoor or outdoor ornament that is 12.8-pounds from CWC for \$79.99, a holiday Snoopy and Woody doghouse from CWC for \$49.99, a gold or silver indoor tree collar from CWC for \$44.99, a set of two WIFI-enabled smart outdoor plugs with voice control from Feit Electric for \$29.99 (see picture on the left) and a set of four Disney Mickey Mouse-shaped glass ornaments from Hallmark for \$24.99.



Costco—Feit Outdoor Smart Plug



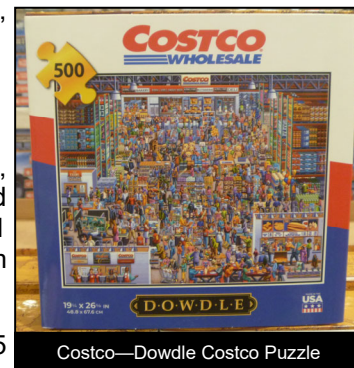
Costco—Santa Cookie Tray

**Sam's Club** – Some of the unique holiday non-food products at Sam's Club included: a 35-piece dog advent calendar with grain free treats from Fresco for \$9.98, a 13-inch pre-lit indoor gingerbread house from Member's Mark for \$29.98, a Seiko melodies in motion holiday clock with 36 songs and is made with 13 Swarovski crystals for \$99.98, a 100-count package of two-ply napkins with a snow drift theme from Artstyle for \$6.48 and a 180-count bag of Member's Mark 18-ounce holiday plastic cups (45 each of red, green, silver and brown) for \$11.48.

## Toy Observations

While the entire toy selection at each club was not recorded, there are three observations, one at each club, that we wanted to highlight. Historically, and in 2021, Costco stocked an assortment of Dowdle 500-piece and 1,000-piece jigsaw puzzles. The 2021 assortment included a 500-piece and a 1,000-piece Costco Wholesale jigsaw puzzle from Dowdle each for \$9.99 (see picture on the right).

BJ's toy selection included ten exclusive toy SKUs. One of those items was a ZURU 5 Surprise 37-piece mini-mart with actual brands and candy for \$29.99 (see picture on the next page). Sam's toy selection included four Member's Mark SKUs: a kitchen play center with 16 accessories for \$99.98, a vanity play set for \$49.98 (see picture on the next page), a set of four mini vehicles/cars for \$16.98 and a set of two pajama party sister dolls with 15 accessories for \$19.98.



Costco—Dowdle Costco Puzzle



## Online

The following are observations from the winter and holiday online assortments from BJ's.com, Costco.com and Samsclub.com. Shipping is included in the retail prices in this section unless otherwise noted.

**BJ's.com** – The winter online selection at BJ's.com included: a Snow Joe 15-amp electric snow blower with an 18-inch width and a halogen light for \$159.99, a Snow Joe 11-inch cordless snow shovel with a battery and charger with a maximum charge of 140 minutes for \$164.99 and a Black & Decker 1,500-watt infrared quartz tower heater for \$49.99.



BJ's—ZURU 5 Surprise Mini Mart

The holiday food and non-food online assortment at BJ's.com included: a Puleo International indoor and outdoor six-foot lighted palm tree for \$89.99, a National Tree 90-inch Jersey fraser fir Christmas tree with 1,250 clear lights for \$549.99, a 12-count case of 2.5-inch wide by 36-foot long rolls of shimmery silver wire edge ribbon from Northlight for \$54.99, a Northlight 30-inch flocked Victoria pine Christmas wreath with 100 clear lights and a heavy duty metal frame for \$89.99, a Northlight 60-inch canyon pine Christmas wreath with 400 LED lights and a sturdy frame for hanging for \$499.99, a Northlight five-foot Christmas nutcracker with a red and gold crown holding a scepter for \$999.99 and a Northlight 26.5-inch diameter red Christmas ornament with a snowflake decoration and 48 clear LED lights for \$689.99.

**Costco.com** – The winter online assortment at Costco.com included: two 30-pair boxes of Little Hotties toe warmers for \$33.99, a pair of Wolverine leather winter gloves that are touch screen enabled for \$49.99, a Little Hotties footwear, glove and helmet dryer with four drying tubes for \$49.99, a Yukon stainless steel hammerhead pro sled with polycarbonate front skis and a 220-pound weight limit for \$199.99, a Briggs & Stratton 26-inch dual stage snow blower with an electric start 208cc engine for \$799.99, a Suncast 36-inch pusher snow shovel with a non-stick surface for \$49.99 and a SnowPeeler commercial-grade 30-foot sectional rooftop snow removal tool that weighs 13.2-pounds for \$139.99.



Sam's—Vanity Set

The holiday food and non-food online selection at Costco.com included: a six-foot to seven-foot fresh/live fraser fir Christmas tree for \$139.99, a set of eight 32-inch decorative seasonal white birch poles that are 1.5-inches to two-inches thick and are fresh cut for \$29.99, an eight-foot indoor and outdoor nutcracker with 20 LED lights and can play eight holiday songs for \$649.99, a set of two 28-inch indoor and outdoor mixed fresh/live evergreen wreaths accented with natural pine cones for \$69.99, a Waterford five-inch wide by three-inch tall golden bell ornament with a keepsake box for storage for \$39.99, a Waterford crystal snow star ornament with a 2021 polished metal tag and a keepsake box for storage for \$49.99, a 60-unit pallet of Godiva gold and red holiday five-box gift towers with chocolate, chocolate truffles, chocolate coffee, chocolate grahams and chocolate pretzels for \$2,499.99, 24 tins of David's winter wonderland mini cookies with each tin containing twenty-eight 0.5-ounce chocolate chip, red velvet and double chocolate chip cookies for \$249.99 and a case of four 16-ounce tins of Truffettes de France cocoa truffles for \$32.99.

**Samsclub.com** – The winter online selection at Samsclub.com included: a 49-bag pallet of MELT premium environmentally blended ice melt (each bag is 50-pounds) for \$689.00, a 50-pound resealable bag of MELT calcium chloride ice melt for \$18.84 and a Snow Joe telescoping snow broom with an ice scraper handle that extends up to 49-inches for \$15.98.

The holiday food and non-food online assortment at Samsclub.com included: two 12-ounce bags of Utz holiday chocolate and white fudge covered pretzels for \$21.96, a 13.5-ounce tin of snowflake-shaped peppermint bark bites from Harry & David for \$14.98, two 11.9-ounce holiday chocolate truffle canisters (one pretzel chocolate truffle and one pecan chocolate truffle) from Prestige Confiseur for \$26.98 and a 44-ounce holiday snack bag of popcorn from The Popcorn Factory (caramel, kettle, chocolate crunch, snicker doodle and ranch) for \$15.77.

## Sam's Club Extras

According to a November 3, 2021 social media post by Tony Rogers, chief member office at Sam's Club, the club operator is partnering with Laugh Out Loud's LOL Studios and Kevin Hart to promote its 2021 holiday program. The campaign will feature a series of social media videos and in-club appearances where Hart will act as a "manager" of a Sam's Club talking about its 2021 holiday products and the convenient ways to shop at the club operator.

Earlier in 2021, Sam's launched its own food truck that serves Member's Mark private label food for free at select locations. The food truck has been updated to promote some of its holiday private label items that include: appetizers, a cheese board, dips, salad, cappuccino, ice cream, French toast sticks and brownies. The Member's Mark holiday food truck will visit 65 locations during the 2021 holiday season.

Five locations (Santa Clarita, CA, Denver, CO, Moore, OK, Plano, TX and Pooler, GA) will host a special Merry-ville parking lot event with an ice skating rink, a virtual Santa meet and greet, holiday decorated stations for families to take photos, a human claw machine and a holiday chalet featuring Sam's Club merchandise. The food truck visit to the other 60 locations will feature a smaller version of the Merry-ville parking lot event.

## FINANCIAL

### Costco Wholesale

#### Costco Reports October, 2021 Sales

*Globe Newswire – November 3, 2021*

Costco reported October, 2021 worldwide sales increased 19.2% from \$13.82 billion last year to \$16.47 billion this year. It is estimated that national sales increased 16.9% to \$11.86 billion and international sales increased 25.4% to \$4.61 billion.

Costco reported overall comparable sales increased 17.5% with United States locations increasing 17.0%, Canadian locations increasing 20.6% and other international locations increasing 17.0%. Excluding gasoline and foreign currency exchange (gas/fx), overall comparable sales increased 11.8% with United States locations increasing 11.7%, Canadian locations increasing 10.0% and other international locations increasing 14.7%. October, 2021 online sales increased 16.5%. Costco reported average worldwide member traffic increased 8.4% compared to last year. Costco's average transaction increased 9.1% including gas/fx and increased 3.4% excluding gas/fx.

Over the last seven months, Costco has been reporting exceedingly strong member traffic results. Costco has been reporting monthly global traffic data since January, 2004. Since April, 2021, Costco has reported the following monthly global traffic increases: 34.0% (COVID influenced in April, 2021), 18.8% (COVID influenced in May, 2021), 8.1% (June, 2021), 6.9% (July, 2021), 7.1% (August, 2021), 7.2% (September, 2021) and 8.4% (October, 2021). Since January, 2004, Costco has only reported two monthly global increases that exceeded its results since April, 2021: an 8.0% increase in May, 2004 and a 9.2% increase in February, 2020 (COVID influenced).

In terms of comparable sales by department, food and sundries increased in the high single digits (candy, frozen and deli were the stronger categories), fresh foods increased in the high single digits (service deli, deli and bakery were the stronger categories), non-foods increased in the mid teens (home furnishings, jewelry, domestics and garden were the stronger categories) and ancillary businesses increased in the high 40s (gasoline and food court were the stronger departments). Regionally and internationally, comparable sales were strong in the Southeast, Texas, California, the United Kingdom, Australia, Mexico and Taiwan.

Costco ended the month with 820 worldwide locations including: 564 in the United States, 105 in Canada, 39 in Mexico, 30 in Japan, 29 in the United Kingdom, 16 in Korea, 14 in Taiwan, 13 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.**

- PriceSmart opened its 48<sup>th</sup> location worldwide in Aranda, Guatemala. The location is the company's fifth in the country. PriceSmart opened its 49<sup>th</sup> location worldwide in Bucaramanga, Columbia on November 12, 2021. The location is PriceSmart's fifth small format location and will be the company's ninth in the country.
- According to a November 4, 2021 report from *Fox 17 News* in Nashville, Tennessee, BJ's is planning to open its first location in Tennessee in La Vergne. An opening date for the 108,000 square foot location was not announced. Costco operates six locations in Tennessee and Sam's operates 14 clubs in the state. La Vergne is approximately 15 miles south of Nashville. BJ's proposed building has three Sam's locations nearby (eight miles, 12 miles and 13 miles away) and two Costco locations nearby (13 miles and 14 miles away).



- On November 8, 2021, as part of its ongoing corporate evolution, PriceSmart updated/rebranded its logo (see picture on the right). The logo puts the face of PriceSmart's three key stakeholders at the center of the sun: members, employees and communities. The sun relates to Sol Price, the company's founder, and its continued focus on providing quality items and services at a value. The company released a YouTube video explaining development of the new logo and can be accessed at the following URL: [www.youtube.com/watch?v=wEg7Fe37ilw](https://www.youtube.com/watch?v=wEg7Fe37ilw).
- According to the October/November, 2021 edition of the *Costco Connection*, Costco is one of the world's largest retailers of down products such as pillows and jackets. According to Becky Berg, quality assurance director at Costco, "Costco now requires a certification for all Costco production of down and feather products, to ensure the highest quality and ethical standards are being followed in our down programs." Amelie Bissonnette, a Costco buyer, said, "There are animal welfare laws in the food and agriculture industry that promote the humane treatment of ducks and geese. Manufacturers of down and feathers must sign pledges to obey these same laws, in addition to abandoning the practice of live plucking, before becoming certified ethical producers."
- According to an October 20, 2021 report from *Supermarket News*, Costco is Canada's "most respected" national retailer. A September, 2021 poll of 3,874 Canadians by Dart Insight and Communications found that Costco earned a "respect score" of 66.9 and is the top ranked national retailer. Costco was followed by Your Independent Grocer (64.8), Metro (62.3), Real Canadian Superstore (61.5) and Sobey's (61.4).
- Costco's Canadian division recently added a new member service: Mike Holmes Inspections. Mike Holmes, a television host and professional contractor, started his inspection business in 2011. Inspections are performed by trained and industry certified inspectors. The Costco program offers two types of inspections: extended (\$549 for executive members and \$599 for gold star members) and premium (\$699 for executive members and \$799 for gold star members). The premium service includes radon testing.
- According to a November 3, 2021 press release, Costco will stock a bone-in beef shank heat and serve meal under the Taffer's Tavern brand. Jon Taffer, host of Paramount Network's *Bar Rescue* television show and founder of Taffer's Tavern restaurant, and Cuisine Solutions partnered to create this product. Taffer opened his first restaurant in 2020 and announced additional locations will open soon. Commenting on the Costco program, Taffer said, "Since the opening of our first Taffer's Tavern last year, our delicious and flavorful entrees have proven to be very popular. This partnership with Costco allows us to bring the Taffer's Tavern experience to home cooks across the country with an easy, worry-free signature dish."
- According to a November 1, 2021 press release, Sam's Club and Walmart have begun stocking eyewear from Elton John. The program features 36 frames unique to Sam's Club and 24 frames unique to Walmart. Additionally, Sam's Club will exclusively sell "collector" frames recreating some of Elton John's iconic looks and each of these frames will be signed, numbered and sold in limited quantities. Megan Crozier, chief merchant at Sam's Club, said, "We know Sam's Club and Walmart customers look to us for quality, on-trend brands at an amazing price, and the Elton John Eyewear Collection delivers just that. We've created an eyewear line using materials, elements and contours across expressive silhouettes, making the brand feel like luxury at an affordable price, while also telling Elton John's phenomenal story."



## CLUB NEWS

### Costco Wholesale

#### Costco's Apple Packaging

Facebook – October 26, 2021

For several years, Costco was packaging its fresh apple SKUs in plastic clamshells. In 2019, Costco acknowledged the challenge in getting its members to recycle plastic clamshells. It said, "Costco currently uses clamshell packaging for some of its fresh bakery and fresh produce items. These clamshells reduce food waste by providing a longer shelf life and easier storage. While this packaging is made of plastic content that can be recycled, it is not necessarily widely recyclable. We are continuing to explore alternatives that will reduce the amount of plastic while also providing a longer shelf life to reduce food waste."

In 2020, Costco began purchasing some apple SKUs in recycled cardboard packaging. According to an October 26, 2021 post by Costco on its Facebook page, the company confirmed it is transitioning from plastic packaging for its fresh apples to recyclable cardboard. The post said, "We're changing from plastic clamshells to recyclable cardboard to package our apples."