

2023/2024 Charter Subscription

WAREHOUSE CLUB FOCUS September 29, 2023
Volume 27, Issue 625

1 For 27 years, your best source for information about the clubs.

WCF visits Clubs in Florida, Massachusetts and New Hampshire

WCF visits warehouse clubs around the world to report on information that provides subscribers with a unique insight into their buying and operating strategies. These visits enable us to keep readers informed about current merchandising techniques, product changes and packaging of the warehouse club level. Our observations also provide manufacturers with ideas and strategies they can use to improve their business with the warehouse clubs regionally, nationally and internationally.

In August and September 2023, WCF visited B'n, Costco and Sam's Club locations in Florida, Massachusetts and New Hampshire. These clubs included B'n in Orlando, Florida (opened 2010) and Chatham, Massachusetts (opened 2005). Costco in Orlando, Florida (opened 2010) and Nashua, New Hampshire (opened 1982) and Sam's Club in Orono, Florida (opened 1980) and Haver, New Hampshire (opened 1980). The following are observations from these locations.

B'n: Costco stocked general merchandise items that included a package of three 10.25-ounce tomato and goat cheese pizzas with a corn meal crust from Unilever for \$16.99 (see picture on the right), a package of three 2-ounce packages of gluten free, Colombian style cheese breads from El Comodoro for \$17.99, a package of 10, 2-ounce packages of cornmeal vegetable mix with carrots, spinach, onions, tomatoes, peppers, and beans from Chef Mee for \$19.79, a package of 16, 15-ounce bags of whole mealizable cheese from Original Signature private label for \$17.99, a package of four 16-ounce chicken and veggie pack cheese tortillas from Newland Foods for \$19.99, a package of two 16-ounce containers of Italian garrage with carrots, spinach, onions, tomatoes, peppers, and beans from Chef Mee for \$19.79, a package of 16, 15-ounce bags of whole mealizable cheese from Original Signature private label for \$17.99 and a 20-ounce package of Member's Mark private label hand-cut smoked and marinated pork loin ends with barbecue sauce for \$19.99.

Costco: Costco stocked a wide variety of unique snack and cookie products. These items included a box of original 1-ounce salt chocolate dipped nut bars from Bobo's for \$11.99 (see picture on the left), a box of twelve 1.75-ounce packages of cookies called from Cake Slices for \$11.99, an 18-ounce box of blueberry cookies with real vanilla ice cream and natural cream filling in the middle from Cake Slices for \$9.79, a box of twelve 1.75-ounce packages of nut butter bars with eight pieces of chocolate covered fudge and peanut butter filling for \$11.99, a box of twelve 1.75-ounce packages of nut butter bars with eight pieces of chocolate covered fudge and peanut butter filling for \$11.99, a box of twelve 1.75-ounce packages of nut butter bars with eight pieces of chocolate covered fudge and peanut butter filling for \$11.99, a box of twelve 1.75-ounce packages of nut butter bars with eight pieces of chocolate covered fudge and peanut butter filling for \$11.99, a box of twelve 1.75-ounce packages of nut butter bars with eight pieces of chocolate covered fudge and peanut butter filling for \$11.99.

Sam's Club: Costco stocked a package of four Italian small pizzas (16 grams of protein in each) with salami, sliced mushrooms and peppers from Fresh Foods for \$12.99 and a 20-ounce package of Member's Mark private label hand-cut smoked and marinated pork loin ends with barbecue sauce for \$19.99.

Other snack and cookie products of Costco included: a 10.75-ounce Japanese bean cake roll for \$11.99, a box of twelve 1.75-ounce packages of cookies called from Cake Slices for \$11.99, a box of twelve 1.75-ounce packages of nut butter bars with eight pieces of chocolate covered fudge and peanut butter filling for \$11.99, a box of twelve 1.75-ounce packages of nut butter bars with eight pieces of chocolate covered fudge and peanut butter filling for \$11.99, a box of twelve 1.75-ounce packages of nut butter bars with eight pieces of chocolate covered fudge and peanut butter filling for \$11.99, a box of twelve 1.75-ounce packages of nut butter bars with eight pieces of chocolate covered fudge and peanut butter filling for \$11.99.

Welcome Michael | Logout

Image Hub

There are over 15,200+ images so it is important to use the options below to narrow your image search. You may want to experiment with different combinations in order to get your optimal results. Clicking on an image will open a new window that displays a large version of the image. The URL of each image provides the date and state when and where the picture was taken.

All Years
All Clubs
All Subcategories

Search...

Total number of images retrieved - 15434

Creeds, Treat, Halloween, Cookie, Chain, Pumpkin, Carving, Set, Wedderson, Manuka, Honey, Beest, Blender, Deluxe, 001

2023 Warehouse Club Industry Guide

United States, American Samoa, Aruba, Australia, Barbados, Brazil, Canada, China, Colombia, Costa Rica, Dominican Republic, El Salvador, Fiji, France, Grand Cayman, Guam, Guatemala, 34 Countries 1991 Locations, Honduras, Iceland, Jamaica, Japan, Mexico, Netherlands, New Zealand, Nicaragua, Panama, Puerto Rico, South Korea, Spain, Sweden, Taiwan, Trinidad & Tobago, United Kingdom, US Virgin Islands

Warehouse Club Focus

(listed price—\$579, single subscriber)

- Option 1—ONE YEAR—\$449, 4 subscribers—SAVE 22%
- Option 2—TWO YEARS—\$749, 4 subscribers—SAVE 35%

Warehouse Club Focus, Online Access, 2023 Guide

(listed price—\$1,599, single subscriber)

- Option 3—ONE YEAR—\$679, 4 subscribers—SAVE 58%
- Option 4—TWO YEARS—\$999, 4 subscribers—SAVE 69%

3 Additional Subscribers

Name, Email

Blank area for entering names and email addresses of three additional subscribers.

PAYMENT

Name _____

Title/Position _____

Company _____

Address _____

City, State, Zip _____

Email _____

Phone _____

Invoice Me Check Enclosed AMEX MasterCard Visa

Credit Card, Expiration _____

CVV (AMEX—4 on front, Visa MasterCard—3 on back) _____

Billing Address _____

Billing City, State, Zip _____

Signature _____

To order: mail, fax or scan this form to:

HHC Publishing, Inc.
PO Box 9138
Foxboro, MA 02035-9138
Office: 617-770-0102
Fax: 617-479-4961
michael.clayman@hhcpublishing.com

UNCONDITIONAL MONEY BACK GUARANTEE

If you are not completely satisfied with Warehouse Club Focus and/or any other product, just let us know at any time and we'll provide a full refund.

1 For 26 years, your best source for information about the clubs.

- More Consumer Items—5.
- PriceSmart Q2 Results—10.
- Costco's March Sales—12.

Warehouse Club Department Analysis – Dry Grocery and Candy

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.

These groups include: dry grocery and candy, general merchandise "a" (automotive, home goods, majors and sundries – issue 576, September 10, 2021), general merchandise "b" (softlines, health and beauty aids, sporting goods and office – issue 570, June 18, 2021) and perishables (cooler and freezer – issue 581, November 26, 2021 and bakery, deli, produce and fresh foods – issue 588, March 11, 2022).

This article analyzes the dry grocery (see picture on the right from Costco of a 48-ounce box of gluten free monster cookie mix from Meli's Cookies for \$9.69) and candy departments. The article is divided into the following four sections: sales estimates, item data background, end caps and category analysis.



Costco—Meli's Gluten Free Cookies

Sales Estimates

The item, category and department sales information throughout this article is calculated using a combination of objective and subjective data. That background data includes: annual company sales, category sales and category sales penetration. This background data enables WCF to estimate department and category sales for each 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 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 this dry grocery and candy analysis is compared to the annual SKU data from January, 2022 to make sure it is "in line". If the data is not, the SKU counts are reconfirmed via additional club visits or club web site research.

Category Penetration – WCF has been estimating a category's percentage of sales (penetration) since 1997. There are three

2021 Calendar	BJ's (223 clubs)			Costco (828 clubs)			Sam's Club (836 clubs)			Total				
	Sales (million)	SKU	\$/WK/ Club	Sales (million)	SKU	\$/WK/ Club	Sales (million)	SKU	\$/WK/ Club	Sales (million)				
Candy	\$470	2.9%	137	\$296	\$2,435	1.2%	44	\$1,285	\$3,818	3.8%	128	\$686	\$6,723	2.1%
Dry Grocery	\$2,392	14.8%	591	\$349	\$26,156	12.9%	398	\$1,526	\$14,540	14.5%	483	\$692	\$43,088	13.5%
Snacks, Cookies	\$713	4.4%	175	\$351	\$7,102	3.5%	111	\$1,486	\$5,128	5.1%	175	\$674	\$12,943	4.0%
Soda, Water, Tea	\$381	2.4%	97	\$339	\$3,977	2.0%	40	\$2,309	\$2,798	2.8%	77	\$836	\$7,156	2.2%
Total	\$3,956	24.4%	1,000	\$341	\$39,670	19.5%	593	\$1,554	\$26,284	26.2%	863	\$701	\$69,910	21.9%
Company	\$16,209		5,550	\$226	\$202,920		3,620	\$1,099	\$100,483		4,648	\$432	\$319,612	

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 department 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 above provides 2021 calendar year worldwide department sales estimates (in millions) for candy, dry grocery, snacks and cookies and soda, water and tea. 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.

Seminars
Customized—On-Site

Does your club team need additional club industry data, information and knowledge?

clubintelligencecenter.com/seminars

US **US MERCHANTS**
Facilities Throughout
North America & Canada



**MADE IN
USA**

Let **US** Package Your Products

At US Merchants / Diversified Repackaging we are committed to providing packaging that is environmentally responsible while maintaining eye-catching appeal and marketability.

We offer many standard sizes for a quick-to-market solution as well as custom designs for the discerning project in a completely vertical environment allowing us to deliver a cost-effective and sustainable wholesale club package.

Visit our website to learn more.



DR
DIVERSIFIED RE-PACKAGING
CUSTOM PACKAGING SOLUTIONS



For More Info Contact Us at 310.228.4000 or usmerchants.com

BJ's Wholesale		2021 U.S. Calendar			SKU			Organic			Pallet per Item			Average Retail			SKU						
Dept	Category	Sales (millions)	Pct.	\$/WK/Club	2007	2017	2022	2016	2019	2022	2007	2017	2022	2007	2017	2022	Wholesale			Retail			
Candy	Chocolate	\$470	2.9%	\$296	30	41	53	n/a	n/a	1	0.5	0.4	0.5	\$6.53	\$10.07	\$12.02	8	6	2	22	35	51	
	Chocolate - Vending				40	38	23	n/a	n/a	n/a	0.4	0.4	0.4	\$11.80	\$16.20	\$21.91	35	15	12	5	23	11	
	Non Chocolate				28	23	19	n/a	n/a	n/a	0.5	0.6	0.6	\$6.04	\$7.70	\$9.42	15	11	4	13	12	15	
	Non Chocolate - Vending				88	71	42	n/a	1	n/a	0.4	0.4	0.5	\$7.34	\$10.93	\$12.93	85	51	32	3	20	10	
Dry Grocery	Baking	\$225	1.4%	\$462	39	38	42	3	2	4	0.6	0.6	0.7	\$5.85	\$7.84	\$8.70	32	19	9	7	19	33	
	Canned Meat, Chicken, Seafood	\$112	0.7%	\$402	28	28	24	1	n/a	n/a	0.3	0.5	0.5	\$7.50	\$9.71	\$11.61	18	19	9	10	9	15	
	Cereal, Breakfast, Peanut Butter	\$342	2.1%	\$500	51	64	59	9	4	2	0.7	0.6	0.8	\$5.86	\$7.81	\$9.17	29	22	15	22	42	44	
	Coffee, Tea, Hot Chocolate	\$279	1.7%	\$491	72	69	49	6	3	3	0.5	0.5	0.7	\$9.42	\$20.84	\$21.51	35	36	21	37	33	28	
	Condiments, Sauces, Dressings	\$162	1.0%	\$172	119	95	81	7	7	3	0.4	0.5	0.5	\$5.65	\$6.61	\$7.25	45	6	7	74	89	74	
	Drink Mixes	\$29	0.2%	\$156	20	13	16	n/a	n/a	n/a	0.3	0.3	0.3	\$5.85	\$7.31	\$8.13	13	2	n/a	7	11	16	
	Ethnic	\$94	0.6%	n/a	41	20	6	n/a	n/a	n/a	0.3	0.6	0.5	\$5.17	\$7.30	\$7.00	6	5	1	35	15	5	
	Fruit, Dried Fruit, Vegy, Pudding	\$231	1.4%	\$586	62	51	34	8	7	4	0.5	0.5	0.8	\$5.76	\$8.24	\$9.53	38	16	13	24	35	21	
	Health, Diet, Bars and Shakes	\$49	0.3%	\$85	56	47	50	1	1	2	0.4	0.5	0.4	\$16.95	\$22.83	\$22.59	54	13	16	2	34	34	
	Juice, Gatorade, Shelf Stable Milk	\$246	1.5%	\$354	78	66	60	8	8	10	0.8	0.9	0.8	\$7.97	\$11.08	\$12.29	67	18	18	11	48	42	
	Oils	\$75	0.5%	\$249	21	27	26	4	3	3	0.6	0.6	0.7	\$10.52	\$11.93	\$17.85	19	7	8	2	20	18	
	Pasta, Rice, Beans, Potatoes	\$255	1.6%	\$415	46	60	53	8	9	7	0.6	0.6	0.5	\$6.24	\$9.28	\$10.44	30	14	10	16	46	43	
	Snacks, Cookies	\$713	4.4%	\$351	84	104	132	7	2	5	0.6	0.5	0.6	\$5.75	\$8.40	\$9.21	28	17	12	56	87	120	
	Snacks, Cookies - Vending	\$86	0.5%	\$351	86	57	43	3	n/a	1	0.6	0.7	0.5	\$7.42	\$11.35	\$11.86	64	32	19	22	25	24	
	Soda, Water, Tea, Energy Drink	\$381	2.4%	\$339	61	71	97	n/a	n/a	1	0.9	0.9	0.8	\$8.74	\$13.77	\$17.96	59	49	46	2	22	51	
	Soup	\$75	0.5%	\$249	30	31	26	2	4	1	0.5	0.5	0.7	\$7.17	\$8.97	\$10.39	16	13	11	14	18	15	
	Spices	\$129	0.8%	\$199	80	60	56	3	n/a	2	0.3	0.3	0.3	\$5.08	\$6.60	\$6.98	67	25	19	13	35	37	
	Tomatoes, Olives	\$89	0.5%	\$853	22	16	9	n/a	1	1	0.3	0.5	0.7	\$4.32	\$6.94	\$9.00	12	10	6	10	6	3	
	Total		\$3,956	24.4%	\$341	1,182	1,090	1,000	70	52	50	0.5	0.6	0.6	\$7.36	\$10.78	\$12.28	775	406	290	407	684	710

BJ's Wholesale End Cap Analysis						
March, 2022						
Brand	Item	Package	Retail	Count	Value	
Barilla	Pasta - Variety - Elbows, Spaghetti, Penne	6 1 lb	\$7.49	168	\$1,258	
Chex Mix	Muddy Buddy - Peanut Butter Chocolate	30 1.75 oz	\$12.99	120	\$1,559	
Coca-Cola	Classic	35 12 oz	\$14.79	104	\$1,538	
Essentia	Water	12 50.7 oz	\$20.99	45	\$945	
General Mills	Cheerios - Oat Crunch	2 29.75 oz	\$8.49	180	\$1,528	
Popcorners	Variety - Kettle, Sea Salt, White Cheddar	28 1 oz	\$11.49	72	\$827	
Schweppes	Ginger Ale	36 12 oz	\$13.99	84	\$1,175	
Smuckers	Strawberry Preserves	2 32 oz	\$10.49	576	\$6,042	
Terra	Vegetable Chips - Original	1 14 oz	\$6.99	192	\$1,342	
Wellesley Farms	KCups - French Roast	1 100 ct	\$29.99	120	\$3,599	
2021 Average End Cap			\$13.77	\$1,981		

For example, the candy department at Sam's generated 2021 annual sales of \$3.82 billion which represented 3.8% of the company's worldwide sales of \$100.48 billion. There are 128 candy items at Sam's and the average candy SKU generated weekly sales per club of \$686.

Category Sales – The charts for BJ's (page three), Costco (page four) and Sam's Club (page five) include category sales information. The sales data



includes 2021 worldwide calendar year category sales (in millions), the percentage of overall sales for a category and the average weekly sales per item per club.

For example, in 2021, the cereal, breakfast and peanut butter category at Costco generated worldwide sales of \$3.22 billion which represented 1.6% of the company's overall worldwide sales of \$202.92 billion. An average cereal, breakfast and peanut butter item (there are 54 SKUs in the category) generated sales of \$1,384 per week per club.

Item Data Background

The product data and pictures for this analysis were gathered in March and April, 2022 from BJ's, Costco and Sam's Club locations in California, Massachusetts and New Hampshire (see picture on the right from Sam's Club of a package of two 13.2-ounce bags of Wendy's frosty chocolate cereal from Kellogg's for \$5.84). The item data background covers four topics: national takeaway, data accuracy, category merchandising and retail pricing. Please note, Easter seasonal candy was not included in this analysis.

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.

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, scanning 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. You can sign up for a subscription by mailing your request to HHC Publishing, PO Box 9138, Foxboro, MA, 02035-9138. You may also visit warehouseclubfocus.com and select order or call us at 617-770-0102.

Costco		2021 WW Calendar			SKU			Organic			Pallet per Item			Average Retail			SKU						
Dept	Category	Sales (millions)	Pct.	\$/WK/Club	2007	2017	2022	2016	2019	2022	2007	2017	2022	2007	2017	2022	Wholesale			Retail			
Candy	Chocolate	\$2,435	1.2%	\$1,285	8	13	19	n/a	1	2	0.8	0.8	0.6	\$7.00	\$11.08	\$12.11	3	3	n/a	5	10	19	
	Chocolate - Vending				23	11	8	n/a	n/a	n/a	0.6	0.5	0.3	\$11.70	\$19.00	\$20.25	21	9	5	2	2	3	
	Non Chocolate				14	3	2	n/a	n/a	n/a	0.5	0.8	0.3	\$7.43	\$9.00	\$10.50	5	2	n/a	9	1	2	
	Non Chocolate - Vending				65	39	15	n/a	n/a	1	0.4	0.4	0.7	\$7.06	\$12.00	\$13.47	65	24	10	n/a	15	5	
Dry Grocery	Baking	\$2,406	1.2%	\$1,693	25	30	33	4	3	3	0.9	0.9	0.8	\$7.60	\$10.67	\$11.41	25	22	12	n/a	8	21	
	Canned Meat, Chicken, Seafood	\$943	0.5%	\$1,564	17	13	14	n/a	n/a	n/a	0.8	1.0	0.9	\$8.35	\$12.92	\$18.38	17	11	4	n/a	2	10	
	Cereal, Breakfast, Peanut Butter	\$3,217	1.6%	\$1,384	25	48	54	7	7	8	1.0	0.9	1.0	\$6.64	\$7.54	\$10.91	17	14	14	8	34	40	
	Coffee, Tea, Hot Chocolate	\$2,922	1.4%	\$1,834	25	35	37	2	4	7	0.9	1.0	1.0	\$10.36	\$18.40	\$21.42	16	17	14	9	18	23	
	Condiments, Sauces, Dressings	\$1,891	0.9%	\$1,187	56	39	37	5	5	6	0.8	0.9	0.9	\$6.06	\$7.51	\$8.19	35	7	5	21	32	32	
	Drink Mixes	\$209	0.1%	\$1,214	6	4	4	n/a	n/a	n/a	1.0	0.8	0.5	\$6.33	\$6.00	\$6.75	6	2	n/a	n/a	2	4	
	Ethnic	\$958	0.5%	n/a	n/a	1	n/a	n/a	1	n/a	n/a	1.0	n/a	n/a	\$6.00	n/a	n/a	1	n/a	n/a	n/a	n/a	
	Fruit, Dried Fruit, Vegy, Pudding	\$2,317	1.1%	\$1,922	34	25	28	7	13	9	0.8	0.9	0.9	\$5.76	\$8.96	\$11.05	28	7	9	6	18	19	
	Health, Diet, Bars and Shakes	\$1,603	0.8%	\$1,034	14	24	36	1	4	3	0.7	0.8	0.6	\$21.07	\$28.58	\$27.86	14	5	11	n/a	19	25	
	Juice, Gatorade, Shelf Stable Milk	\$2,897	1.4%	\$1,682	40	35	40	7	13	16	1.0	1.0	1.0	\$8.98	\$13.40	\$11.49	25	9	11	15	26	29	
	Oils	\$1,080	0.5%	\$1,394	14	18	18	4	2	2	0.9	1.0	1.0	\$12.07	\$13.44	\$17.39	14	8	8	n/a	10	10	
	Pasta, Rice, Beans, Potatoes	\$2,431	1.2%	\$2,016	20	31	28	7	11	10	0.9	0.9	1.0	\$6.70	\$9.81	\$12.24	16	14	9	4	17	19	
	Snacks, Cookies	\$7,102	3.5%	\$1,486	45	70	76	4	12	13	0.8	0.8	0.7	\$5.64	\$9.06	\$9.80	24	13	13	21	57	63	
	Snacks, Cookies - Vending				43	39	35	3	1	n/a	0.7	0.8	0.7	\$7.49	\$10.56	\$13.40	35	20	15	8	19	20	
	Soda, Water, Tea, Energy Drink	\$3,977	2.0%	\$2,309	33	34	40	3	n/a	n/a	1.0	0.8	1.0	\$9.27	\$13.09	\$13.10	29	22	20	4	12	20	
	Soup	\$859	0.4%	\$1,663	9	9	12	5	5	5	1.0	0.8	0.7	\$7.56	\$8.78	\$11.45	5	2	2	4	7	10	
	Spices	\$1,515	0.7%	\$782	30	39	45	2	3	10	0.3	0.3	0.3	\$3.87	\$5.95	\$5.89	30	11	16	n/a	28	29	
	Tomatoes, Olives	\$908	0.4%	\$1,757	18	15	12	2	3	3	0.9	0.8	0.8	\$4.11	\$5.87	\$7.50	18	9	7	n/a	6	5	
	Total		\$39,670	19.5%	\$1,554	564	575	593	63	88	98	0.8	0.8	0.8	\$7.65	\$11.27	\$12.85	448	232	185	116	343	408

Brand	Item	Package	Retail	Count	Value
Crunchmaster	Multigrain Crackers - 6 Seed	1 28 oz	\$9.99	240	\$2,398
Filippo Berio	Extra Virgin Olive Oil	1 3 ltr	\$18.99	270	\$5,127
Kirkland Signature	Chunk Chicken Breast	6 12.5 oz	\$14.49	486	\$7,042
Kirkland Signature	Oat Beverage - Organic	6 32 oz	\$9.99	210	\$2,098
Kraft	Macaroni & Cheese	18 7.25 oz	\$13.99	160	\$2,238
Nissin	Chicken Cup of Noodles	24 2.5 oz	\$7.89	72	\$568
Pam	Cooking Spray	2 12 oz	\$7.99	648	\$4,918
Perrier	Sparkling Water	24 16.9 oz	\$19.99	63	\$1,259
Ragu	Old World Pasta Sauce	3 45 oz	\$7.89	210	\$1,657
Robert Rothschild	Pineapple Habanero	1 40 oz	\$9.49	620	\$5,884
2021 Average End Cap			\$12.03	\$3,319	

National Takeaway – WCF has visited numerous clubs nationally and internationally over the past 26 years. We have learned that although there are differences 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 understanding, 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 efforts are used to assure the accuracy of the data, no guarantees can be made. Out-of-stock merchandise would have affected the SKU data within this issue. The data found in this article is not endorsed by BJ's, Costco or Sam's Club.

Category Merchandising – The category data charts provide product merchandising information which includes three years of SKU, merchandising space, retail price and targeted end user data (2007, 2017 and 2022). 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.

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 (see picture on the right from Costco of a package of two 1-liter bottles of organic lemon juice from Limmi for \$7.99). 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.



For the targeted end user data, WCF subjectively determined whether the targeted end user for an item is a business or consumer member. In most cases, if an item could be resold or used by a business member, it was counted as a wholesale SKU. For vending/case items, single flavor SKUs are mostly counted as wholesale products and variety packs are mostly counted as consumer items.

Since 2019, WCF began counting the number of organic items in each category. Organic item data was counted in 2016 as part of a separate organic article but no organic data was counted in 2017. Therefore, organic data from 2016, 2019 and 2022 is provided in this article.

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 a total of ten dry grocery and candy 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 is 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 three for BJ's, page four for Costco and page five for Sam's.

Sam's Club				2021 WW Calendar			SKU			Organic			Pallet per Item			Average Retail			SKU					
Dept	Category	Sales (millions)	Pct.	\$/WK/Club	2007	2017	2022	2016	2019	2022	2007	2017	2022	2007	2017	2022	2007	2017	2022	2007	2017	2022		
Candy	Chocolate	\$3,818	3.8%	\$686	12	13	32	n/a	n/a	n/a	0.8	0.6	0.6	\$7.17	\$9.62	\$11.97	6	5	1	6	8	31		
	Chocolate - Vending				47	65	28	n/a	n/a	n/a	0.6	0.3	0.4	\$12.45	\$19.37	\$24.18	45	56	20	2	9	8		
	Non Chocolate				15	7	11	n/a	n/a	n/a	0.4	0.4	0.5	\$6.27	\$10.14	\$11.09	10	5	3	5	2	8		
	Non Chocolate - Vending				95	92	57	n/a	n/a	n/a	0.4	0.4	0.4	\$7.79	\$10.70	\$14.05	95	83	46	n/a	9	11		
Dry Grocery	Baking	\$1,380	1.4%	\$907	23	36	35	1	2	1	1.0	0.8	0.8	\$6.78	\$7.47	\$8.87	22	22	12	1	14	23		
	Canned Meat, Chicken, Seafood	\$601	0.6%	\$1,382	16	12	10	n/a	n/a	n/a	0.7	0.9	0.9	\$8.19	\$12.08	\$13.66	14	11	3	2	1	7		
	Cereal, Breakfast, Peanut Butter	\$2,193	2.2%	\$788	27	49	64	4	1	3	1.0	0.9	0.9	\$6.15	\$7.78	\$9.36	19	19	21	8	30	43		
	Coffee, Tea, Hot Chocolate	\$1,662	1.7%	\$796	41	51	48	6	4	4	0.7	0.8	0.9	\$8.68	\$21.02	\$19.70	34	30	22	7	21	26		
	Condiments, Sauces, Dressings	\$1,173	1.2%	\$509	61	67	53	3	1	n/a	0.7	0.7	0.9	\$5.93	\$7.21	\$6.91	46	27	19	15	40	34		
	Drink Mixes	\$81	0.1%	n/a	4	7	2	n/a	n/a	n/a	1.0	0.8	0.6	\$6.50	\$6.86	\$7.00	4	1	1	n/a	6	1		
	Ethnic	\$67	0.1%	n/a	10	4	2	n/a	n/a	n/a	0.7	0.3	0.6	\$4.90	\$7.25	\$4.50	10	3	n/a	n/a	1	2		
	Fruit, Dried Fruit, Vegy, Pudding	\$1,178	1.2%	\$1,232	31	27	22	1	2	n/a	0.9	0.7	1.0	\$5.65	\$7.93	\$8.09	28	21	8	3	6	14		
	Health, Diet, Bars and Shakes	\$573	0.6%	\$269	39	62	49	1	2	4	0.4	0.4	0.5	\$16.92	\$22.05	\$22.29	39	27	13	n/a	35	36		
	Juice, Gatorade, Shelf Stable Milk	\$1,824	1.8%	\$1,499	33	45	28	3	1	1	1.0	1.0	1.0	\$8.91	\$10.62	\$12.71	33	26	7	n/a	19	21		
	Oils	\$508	0.5%	\$531	11	19	22	3	2	1	1.0	0.8	0.9	\$13.82	\$12.89	\$19.32	11	12	10	n/a	7	12		
	Pasta, Rice, Beans, Potatoes	\$1,459	1.5%	\$1,083	27	32	31	7	2	3	1.0	0.7	1.0	\$5.22	\$8.69	\$10.58	24	14	10	3	18	21		
	Snacks, Cookies	\$5,128	5.1%	\$674	61	87	71	2	1	n/a	0.6	0.6	0.8	\$8.38	\$10.71	\$13.35	57	65	31	4	22	40		
	Snacks, Cookies - Vending				61	87	71	2	1	n/a	0.6	0.6	0.8	\$8.38	\$10.71	\$13.35	57	65	31	4	22	40		
	Soda, Water, Tea, Energy Drink	\$2,798	2.8%	\$836	43	84	77	n/a	n/a	n/a	1.0	0.9	0.9	\$8.72	\$15.30	\$19.18	43	52	43	n/a	32	34		
	Soup	\$444	0.4%	\$638	11	18	16	1	2	n/a	1.0	0.7	0.7	\$6.64	\$8.56	\$9.27	8	14	11	3	4	5		
	Spices	\$866	0.9%	\$217	81	88	92	1	9	9	0.3	0.3	0.3	\$4.68	\$7.38	\$5.93	81	42	37	n/a	46	55		
Tomatoes, Olives	\$531	0.5%	\$1,357	13	11	9	1	n/a	n/a	0.8	0.8	1.0	\$4.08	\$5.27	\$7.44	13	8	8	n/a	3	1			
Total		\$26,284	26.2%	\$701	762	954	863	39	29	27	0.7	0.6	0.7	\$7.77	\$11.70	\$12.39	669	563	343	93	391	520		

Sam's Club End Cap Analysis						
March, 2022						
Brand	Item	Package	Retail	Count	Value	
Del Monte	Cut Green Beans	8 14.5 oz	\$7.68	208	\$1,597	
Dunkin Donuts	Kcup - Original	1 72 ct	\$39.98	128	\$5,117	
Frito Lay	Cheetos Macaroni & Cheese	12 2.32 oz	\$9.98	180	\$1,796	
General Mills	Cinnamon Toast Crunch Cereal	1 49.5 oz	\$6.53	175	\$1,143	
Ken's	Honey Mustard Dressing	1 32 oz	\$3.98	720	\$2,866	
Mars	Chocolate Bar - Variety	1 30 ct	\$21.98	378	\$8,308	
Mars	M&M Peanut	1 62 oz	\$13.98	252	\$3,523	
Member's Mark	Fried Pork Rinds	1 16 oz	\$6.38	180	\$1,148	
Member's Mark	Pure Soybean Oil	1 35 lb	\$39.98	100	\$3,998	
Tin Star	Barbeque Chips - Variety	30 1.5 oz	\$15.68	72	\$1,129	
2021 Average End Cap			\$16.62		\$3,063	

BJ's – The end cap assortment at BJ's included: a case of thirty 1.75-ounce packages of Chex Mix muddy buddy peanut butter chocolate mix for \$12.99, a box of two 29.75-ounce bags of oat crunch Cheerios from General Mills for \$8.49, a package of two 32-ounce bottles of Smuckers strawberry preserves for \$10.49 and a 14-ounce bag of Terra original vegetable chips for \$6.99.

Costco – The end cap selection at Costco included: a case of six 32-ounce containers of Kirkland Signature private label organic oat beverage for \$9.99, a case of twenty-four 16.9-ounce bottles of Perrier sparkling water for \$19.99, a 40-ounce bottle of Robert Rothschild pineapple habanero sauce for \$9.49 and a three-liter bottle of Filippo Berio extra virgin olive oil for \$18.99.

of Perrier sparkling water for \$19.99, a 40-ounce bottle of Robert Rothschild pineapple habanero sauce for \$9.49 and a three-liter bottle of Filippo Berio extra virgin olive oil for \$18.99.

Sam's Club – Some of the end cap items at Sam's Club included: a 32-ounce bottle of Ken's honey mustard dressing for \$3.98, a case of thirty 1.5-ounce bags of Tin Star barbeque chips (ten each of smoke shack, barbacoa and santa maria) for \$15.68, a 35-pound container of Member's Mark private label pure soybean oil for \$39.98 and a case of eight 14.5-ounce cans of Del Monte cut green beans for \$7.68.

Category Analysis

The following are general observations from this analysis and observations from many of the dry grocery and candy categories:

Consumer Items – The concept that warehouse clubs (excluding Costco Business Center) are primarily focused on wholesale or business members has dramatically changed. The decrease in items targeted to wholesale members has been occurring at all three clubs (see picture on the right from Sam's Club of a 40-count variety package of ring pops, push pops, bottle pops and juicy drops from Topps for \$22.16).



Sam's—Topps Variety Candy

That shift towards consumer items will likely continue. As the clubs reduce the number of business items, wholesale members have and will continue to fill those supply gaps and will increasingly purchase more items from non-club distributors.

BJ's consumer items increased from 407 SKUs in 2007 to 684 products in 2017 to 710 items in 2022. The consumer increase at Costco and Sam's Club was even more dramatic. Costco's consumer items increased from 116 SKUs in 2007 to 343 products in 2017 to 408 items in 2022. Sam's consumer items increased from 93 SKUs in 2007 to 391 products in 2017 to 520 items in 2022.

BJ's – Fewer Items – BJ's stocks the most dry grocery and candy items among the three clubs with 1,000 SKUs compared to 863 items at Sam's Club and 593 products at Costco. However, BJ's dry grocery and candy selection has been decreasing from 1,182 items in 2007 to 1,090 SKUs in 2017 to its current assortment of 1,000 products.

The categories that have decreased most significantly since 2007 include: non-chocolate vending (46 fewer items), snack and cookie vending (43 fewer SKUs), condiments, sauces and dressing (38 fewer products) and fruit, vegetables, dried fruit and pudding (28 fewer items).

What Does Your Broker Do For You?

It's Time To Raise Your Expectations.

We **love** our clients and customers.
Our clients and customers **love** us.
Our 10, 20, 30, 50+ year relationships confirm this.

Let's Talk.



Matt O'Hare
President and COO
978.663.9000
mohare@johare.com
JOHare.com



Where a full pallet display would normally be merchandised in a bay, BJ's is the only club to stock a three to four layer pallet display on the floor and on the shelf above. BJ's merchandised more items in this fashion and it is evidenced by its pallet per item figure increasing from 0.5 in 2007 to 0.6 in 2017 and 2022.

Sam's – Wholesale Items – Sam's continues to differentiate itself from BJ's and Costco by stocking a larger number of wholesale items in dry grocery and candy. Sam's stocked 343 wholesale SKUs (40% of its assortment) compared to 290 business items at BJ's (29% of its selection) and 185 wholesale products at Costco (31% of its assortment).

Chocolate – These products are chocolate based, they are typically not resold and are targeted to consumer members. Costco stocked a 16.8-ounce bag of Alter Eco organic 58% cocoa dark chocolate truffles (classic, salted caramel and sea salt) for \$10.79. Sam's Club stocked a 30.16-ounce container of Member's Mark chocolate covered pecan and caramel clusters for \$11.98.

BJ's chocolate assortment included: an 18.2-ounce bag of zero sugar mini chocolate from Hershey (chocolate bars, special dark chocolate bars and Reese's) for \$10.99, a package of twenty-five 4-ounce individually wrapped dark chocolate bites with pistachios, almonds and cranberries from JoJo's for \$8.99, a 9.6-ounce bag of peanut butter milk chocolate cups made with Stevia from Lily's for \$12.99 and a 16-ounce bag of dark chocolate covered almonds from Skinny Dipped for \$9.99.

Chocolate Vending – These products are chocolate based and are typically resold by wholesale members. BJ's stocked three Lindt dark chocolate bar SKUs: a package of four 3.5-ounce 70% cocoa dark chocolate bars for \$10.49, a package of four 3.5-ounce 90% cocoa dark chocolate bars for \$10.49 and a package of four 3.5-ounce dark chocolate sea salt bars for \$10.49.

Non Chocolate – These products are non chocolate candy, they are typically not resold and are targeted to consumer members. Costco stocked a 48-ounce mixed bag of sweet and sour gummy worms, gummy bears, gummy belts and gummy rings from Hampton Candy for \$7.49.

BJ's stocked: a 60-ounce bag of Life Savers wint-o-green mints for \$9.99, a 56-ounce bag of original sour patch kids from Mondelez for \$8.79, a 96-ounce bag of Wellsley Farms private label starlight mints for \$6.99, a 96-ounce bag of Wellsley Farms individually wrapped hard candy (peppermint, wintergreen, cinnamon and butterscotch) for \$6.99 and a 56-ounce bag of Wellsley Farms mega brand candy (laffy taffy, warheads, lemonheads, dubble bubble, jaw busters, dum dums, fruity chews and smarties) for \$10.99.

Non Chocolate Vending – These products are non chocolate candy and are typically resold by wholesale members. Costco stocked a case of twelve 1.76 sugar stable bars from Stabilize for \$19.89 (see picture on the right). BJ's stocked: a case of twelve 5-ounce packages of Haribo gold gummy bears for \$13.49, a 105-count package of 0.37-ounce Starburst swirlers chewy sticks from Wrigley for \$11.99, a case of thirty-two 0.5-ounce red, white and blue ring pops from Topps for \$10.99 and a 318-count container of 0.19-ounce peppermint puffs from Wellsley Farms for \$7.99.

Baking – BJ's and Sam's Club stocked Chiquita banana bread mix. BJ's stocked a 13.7-ounce box for \$1.99 and Sam's Club stocked a package of three 13.7-ounce boxes for \$6.62 or \$2.21 per box. All three clubs stocked Arm & Hammer baking soda. BJ's and Costco stocked a 13.5-pound box for \$7.59 (56-cents per pound) and \$7.29 (54-cents per pound) respectively. Sam's Club stocked a 15-pound box for \$8.92 (60-cents per pound).



Some of the unique items included: a 34-ounce package of French crepe mix from Farin Up for \$6.59 (Costco), a five-pound bag of organic all purpose flour from King Arthur for \$6.79 (BJ's), a 20-ounce bottle of Sanders milk chocolate topping for \$5.99 (BJ's), a 25-ounce container of organic baking cocoa from Wellsley Farms for \$7.99 (BJ's), a 32-ounce package of erythritol and monk fruit sweetener from Whole Earth for \$8.99 (Costco), a 36-count box of mini tart shells from Yummallo for \$9.98 (Sam's Club), a 32-ounce container of organic grass fed ghee from Ancient Organics for \$23.99 (Costco) and a 1.7-pound bag of organic walnuts from Kirkland Signature for \$8.59 (Costco).

Canned Meat, Chicken, Seafood – Typically, outside the club channel, canned tuna is sold in five-ounce cans. For the most part, currently, BJ's and Sam's Club stock tuna in five-ounce cans. Since at least 1997/1998 (when WCF began tracking these items), Costco has stocked tuna in larger sized cans. Until around 2009, Costco typically sold tuna in six-ounce cans and since then, it typically sells tuna in seven-ounce cans.

Stocking a larger sized tuna package benefits Costco in primarily two ways: the higher retail price positively impacts its average transaction and the larger package enables Costco to offer a lower price per ounce. For example, all three clubs stocked Bumble Bee solid white albacore tuna in water. BJ's and Sam's Club stocked a package of eight 5-ounce cans for \$12.79 (32-cents per ounce) and \$14.72 (37-cents per ounce) respectively. Costco stocked a package of eight 7-ounce cans for \$16.99 (30-cents per ounce).

Abalone are marine snails. Demand and prices are high for this seafood because limits are placed on the catch quantity. Costco stocked two abalone SKUs: a 14.8-ounce container of Australian abalone from Ausab for \$33.99 and a 3.5-ounce package of sliced wild blacklip abalone from Australia from Sea Temple for \$44.89 (see picture on the right).



Costco—Sliced Wild Abalone

Cereal – Each club tries to stock some cereal SKUs that are either exclusive or not being purchased at the time by one or both of the other operators. The following are cereal SKUs that were stocked by one club and are relatively new as they were not observed in previous analyses.

BJ's stocked a 36.7-ounce box of brown sugar cinnamon Special K from Kellogg's for \$7.99. Costco stocked a 20-ounce box of keto friendly cereal from Catalina Crunch for \$9.99. Sam's Club stocked: a box of eighteen 1.35-ounce packets of Cinnamon Toast Crunch instant oatmeal from General Mills for \$6.48 (see picture on the right), a 31.25-ounce box of Swiss Miss cocoa puffs from General Mills for \$5.64 and a 22-ounce bag of keto birthday cake granola from Nu Trail for \$12.78.

There were two cereal items stocked by all three clubs. For both SKUs, Sam's Club stocked a smaller package compared to BJ's and Costco. BJ's and Costco stocked a box of two 27.5-ounce bags of honey nut Cheerios from General Mills for \$8.69 or 15.8-cents per ounce each. Sam's Club stocked a box of two 24-ounce bags for \$7.58 or 15.8-cents per ounce. BJ's and Costco stocked a box of two 35-ounce bags of frosted mini wheats from Kellogg's for \$8.69 or 12.4-cents per ounce each. Sam's Club stocked a box of two 27-ounce bags for \$6.28 or 11.6-cents per ounce.



Sam's—Cinnamon Toast Oatmeal

Condiments, Sauces, Dressing – The dressing assortment was recorded from each club. BJ's stocked nine SKUs, Costco stocked two items and Sam's Club stocked six products. There were two dressing SKUs stocked by all three clubs. The first, a package of two 40-ounce bottles of Hidden Valley ranch dressing for \$10.49 at BJ's and Costco and \$10.48 at Sam's Club.

The second was Olive Garden Italian dressing. BJ's and Sam's Club stocked a package of two 24-ounce bottles for \$7.49 (15.6-cents per ounce) and \$7.32 (15.3-cents per ounce) respectively. Costco stocked a package of two 28-ounce bottles for \$7.99 or 14.3-cents per ounce.

BJ's and Sam's Club both stocked single 32-ounce bottle SKUs of Ken's dressing. BJ's stocked: a 32-ounce bottle of Ken's chunky blue cheese dressing for \$3.99 and a 32-ounce bottle of Ken's lite balsamic dressing for \$3.99. Sam's Club stocked a 32-ounce bottle of Ken's honey mustard dressing for \$3.98.

Sam's dressing selection continues to include three Member's Mark Food Service SKUs: a 128-ounce bottle of honey mustard dressing for \$12.92, a 128-ounce bottle of Italian dressing for \$9.24 and a 128-ounce bottle of ranch dressing for \$10.28.

The pasta sauce selection was recorded at each club. BJ's stocked 14 SKUs, Costco stocked five items and Sam's Club stocked five products. All three clubs stocked Rao's marinara sauce in different package sizes. BJ's stocked a 40-ounce bottle for \$7.99 or 20-cents per ounce. Costco stocked a package of two 28-ounce bottles for \$10.89 or 19-cents per ounce and Sam's Club stocked a package of two 22-ounce bottles for \$9.48 or 21.5-cents per ounce.

Some of the pasta sauce SKUs stocked by one club included: a package of three 15-ounce bottles of Bertolli alfredo sauce for \$6.99 (BJ's), three 45-ounce bottles of Ragu garden style pasta sauce for \$8.39 (BJ's), a package of three 32-ounce bottles of Classico organic pasta sauce for \$9.49 (Costco) and two 40-ounce bottles of Victoria white linen pasta sauce for \$9.89 (Costco).

Coffee, Tea, Hot Chocolate – BJ's reduced the size of its organic green tea SKU from Bigelow. In February, 2021, BJ's stocked a 168-count package of Bigelow organic green tea for \$9.99 or 5.9-cents per bag. BJ's reduced the size of the item and currently stocked a 150-count package for \$10.99 or 7.3-cents per bag.

BJ's increased the size of its Wellsley Farms no calorie sweetener. In June, 2020, BJ's stocked a 1,000-count case for \$12.99 or 1.3-cents per packet and now stocked a 1,200-count case for \$15.29 or 1.3-cents per packet.

Two unique coffee SKUs were observed at Sam's Club: a 50-count case of donut shop coffee KCup pods (20 cookie dough, 20 vanilla and 10 sundae) from Keurig for \$21.98 (see picture on the right) and a four-can package of Café Bustelo coffee (two 10-ounce cans of Brazilian and two 9-ounce cans of Colombian) for \$13.68. Costco stocked a unique tea SKU. It stocked a case of thirty 1.69-ounce packets of Korean red ginseng tea from Hong Sam Won for \$21.49.



Sam's—Donut Shop Variety Pack

Ethnic – Costco's ethnic items were analyzed in Massachusetts and New Hampshire and the items were incorporated into the other dry grocery categories. However, two items were observed in California that were not stocked in Massachusetts and New Hampshire.

Those Costco SKUs included: a 16-ounce box of shmura hand made Kosher for Passover matzo from Holyland for \$14.99 (see picture on the right) and a package of five 16-ounce boxes of Streit's unsalted Kosher for Passover matzo for \$8.89.



Costco—Holyland Shmura Matzo

BJ's ethnic items were mostly incorporated into other dry grocery categories. Some of the items that were counted as ethnic included: a 33-ounce Old El Paso burrito bowl kit (two chipotle chicken and one adobo steak) for \$9.99, a 34.2-ounce Old El Paso hard and soft shell taco kit (six hard shells, six soft tortillas, sauce and seasoning) for \$7.49 and a 26.4-ounce Old El Paso hard shell taco kit (30 hard shells, sauce and seasoning) for \$7.49.

Dried Fruit – Costco continues to focus on stocking organic dried fruit SKUs. Some of those items included: a package of two 32-ounce bags of organic raisins from California Gourmet for \$9.49, two 8-ounce bags of organic Deglet Noor dates from Desert Valley for \$7.99 and a 20-ounce bag of organic plantain chips from Banana for \$7.99.

All three clubs stocked Sun Maid raisins, each in a different way. BJ's stocked a package of two 32-ounce bags of Sun Maid raisins for \$10.79 or 16.9-cents per ounce. Sam's Club stocked a package of two 30-ounce bags of Sun Maid raisins for \$8.92 or 14.9-cents per ounce. Costco stocked a package of two 32-ounce bags of organic Sun Maid raisins for \$11.49 or 17.9-cents per ounce.

Fruit, Vegetables, Pudding – The following new Member's Mark item was observed: a 42-ounce bottle of Member's Mark pineapple spears in coconut water for \$6.24 (see picture on the right).



Sam's—Member's Mark Pineapple Spears

Prior to 2021, WCF observed that Sam's Club stocked a case of twelve 14.5-ounce cans of Del Monte cut green beans for \$9.98 or 83-cents per can. The last two years, Sam's Club stocked a case of eight 14.5-ounce cans of Del Monte cut green beans for \$6.48 or 81-cents per can.

Last year, Sam's Club stocked a case of twenty-eight 3.2-ounce pouches of Materne squeezable applesauce for \$11.98 or 42.7-cents per pouch. Sam's Club increased the package size to a case of thirty-two 3.2-ounce pouches of Materne squeezable applesauce for \$13.88 or 43.3-cents per pouch.

Health, Diet Bars, Shakes – The following are some of the health, diet bar and shake SKUs that WCF has not observed previously: a case of eighteen 11-ounce chocolate protein shakes from Evolve for \$23.98 (Sam's Club), a case of twelve 12-ounce protein shakes (five each of cookies cream, peanut butter and munchies) from Alani Nu for \$24.98 (Sam's Club), a box of eight 1.38-ounce soft and chewy chocolate chip cookies from Atkins for \$9.88 (Sam's Club), a package of forty-four 0.6-ounce peanut butter cups from Atkins for \$20.88 (Sam's Club), a 65.6-ounce container of Combat chocolate protein powder for \$37.99 (BJ's) and a 11.6-ounce container of acai berry pomegranate beet powder from Nature Fuel for \$24.98 (Sam's Club).

Juice, Gatorade, Shelf Stable Milk – Costco is more likely than BJ's and Sam's Club to stock unique or organic juice flavors. Costco's selection included: a package of two 96-ounce bottles of orange carrot juice from Apple & Eve for \$7.99, a package of two 96-ounce bottles of organic strawberry lemonade from Grown Right for \$6.89, a package of two 96-ounce bottles of pineapple passion fruit juice from Ocean Spray for \$6.99, a package of two 64-ounce bottles of passion fruit nectar juice from Sun Tropics for \$6.89, a 128-ounce bottle of organic guava nectar juice from Sunberry Farms for \$5.99, a case of ten 5-ounce containers of organic yuza juice from JeollaNamdo for \$13.99 and a 32-ounce bottle of organic ginger juice from The Ginger People for \$10.99.

Pasta, Rice, Beans, Potatoes – Some of the unique items in pasta, rice, beans and potatoes included: a box of six 10-ounce pouches of organic refried beans with chorizo from Bean Vivo for \$11.99 (Costco, see picture below), a case of eight 16-ounce cans of organic refried beans from Rosarita for \$10.69 (Costco), a four-pound bag of organic long grain rice from 4Sisters for \$4.98 (Sam's Club), a package of six 16-ounce boxes of



Costco—Organic Refried Beans

De Cecco pasta (two each of spaghetti, linguine and angel hair) for \$10.99 (BJ's), a case of twelve 5.9-ounce boxes of Cheetos macaroni and cheese from Frito Lay for \$10.79 (BJ's), a case of twelve 2.32-ounce cups of Cheetos macaroni and cheese from Frito Lay for \$9.98 (Sam's Club) and a 64-ounce bag of organic quinoa from Sideways for \$8.98 (Sam's Club).

Snacks and Snacks Vending – Sam's Club – Over the past couple years, WCF has observed that Sam's Club is using the snack non-vending and vending categories to cycle a variety of unique SKUs through its buildings. Sam's Club seems to be using this category to differentiate itself from its club competitors.

Some of the snack items observed at Sam's Club during this analysis include the following products that were not currently stocked at BJ's and Costco: a case of fifteen 2.5-ounce bags of Rap Snacks potato chips (five each of sweet chili, salt vinegar and cheddar) for \$14.98, a 24-ounce package of sriracha hot chili almonds from Ames International for \$9.98, a 14-ounce bag of Cheetos white cheddar bites from Frito Lay for \$3.98 and a 22-ounce container of Member's Mark everything seasoned cashews for \$9.98.

Other snack items that were not observed at BJ's and Costco included: a 16.5-ounce package of Nashville hot mix with almonds, pumpkin seeds, churrrito sticks and peanuts from Buck Wild for \$8.38, a 30-count case of Deep River Snacks potato chips (ten each of barbeque, original and sour cream) for \$15.48, a 17-ounce bag of Doritos nacho cheese flavored Smartfood popcorn from Frito Lay for \$5.28, a case of twenty-seven 1-ounce bags of Mac's chicharrones chips (11 cheddar, eight jalapeno and eight spicy) for \$14.32 (see picture on the right), a 24-ounce bag of Uglie's salt and vinegar potato chips for \$5.68 and a seven-ounce bag of chicken and waffle flavored chicken chips from Wilde Protein for \$8.98.

Snacks, Cookies – All three clubs stocked a variety pack of classic Frito Lay chips. BJ's and Sam's Club stocked a case of fifty 1-ounce bags of Cheetos crunchy (16), Doritos nacho (ten), Fritos (eight), Lays (six), Ruffles (six) and Lays sour cream (four) for \$15.29 (30.5-cents per bag) and \$15.98 (32-cents per bag) respectively. Costco stocked a larger package and a different variety: a case of fifty-four 1-ounce bags of Cheetos crunchy (12), Doritos nacho (12), Lays (eight), Doritos cool ranch (seven), Fritos (seven), Lays barbeque (four) and Lays sour cream (four) for \$17.69 or 32.8-cents per bag.

Costco Sales Professional

OSMG is looking for a Costco-focused sales professional. The ideal candidate must understand all things Costco including sales strategies, programs and logistics in its U.S. and Global Regions. This passionate team player must have experience launching and growing global brands and bring strong relationships with key members of Costco's merchandising teams across multiple departments.

If you are interested in joining a company that takes enormous pride in what they do, please apply.

This company offers a competitive salary and benefits package.



To apply, please send your resume and cover letter to: John Saidnawey (jsaidnawey@johare.com), Cindy Murray (cmurray@johare.com) and Laura George (lgeorge@johare.com).



Sam's—Mac's Chicharrones Chips

Some of the unique items observed at Costco included: a 20-ounce bag of Blue Diamond garlic herb and olive oil almonds for \$10.99, a 20-ounce bag of cashew almond toffee popcorn from Bandini for \$8.97, a 32-ounce container of Hoody's almond lovers mix (dark chocolate almonds, white chocolate almonds, coconut almonds, blanched almonds and roasted almonds) for \$12.79 and a 24-ounce container of organic Kilimanjaro deluxe mix (dark chocolate, crunchy nuts and dried fruit) from Prana Organic for \$9.99.

Snacks, Cookies – Vending – All three clubs stocked a variety pack of Nabisco cookies. BJ's and Sam's Club stocked a 60-count case of Chips Ahoy (twenty 2-count packs), golden Oreos (ten 2-count packs) and Oreos (thirty 2-count packs) for \$12.99 and \$12.48 respectively. Costco stocked a 60-count case of double stuff Oreos (twenty 2-count packs), golden Oreos (ten 2-count packs) and Oreos (thirty 2-count packs) for \$11.49.

Some of the unique items observed at Costco included: a 36-count box of individually wrapped fruit tarts (18 each of raspberry and lemon) from Le Chic Patisserie for \$8.89 (see picture on the right), a case of twenty-four 0.75-ounce Meiji chocorooms for \$9.79 and a box of eighteen 0.98-ounce keto layered brownies (nine each of chocolate peanut butter and chocolate almond butter) from The Keto Baker for \$12.79.



Costco—Mini Tarts

Soda, Water, Tea, Energy Drink – The following are items that WCF has not observed previously: a case of twelve 12-ounce cans of zero sugar energy drink (four each of peach, tropical punch and orange) from Zoa Energy for \$15.99 (Costco), a case of fifteen 16-ounce bottles of sparkling energy water (five each of mango, watermelon and cherry)



Sam's—GURU Organic Energy Drink

from Glow for \$22.98 (Sam's Club), a case of twelve 12-ounce cans of organic plant based energy drink (three each of original, lite, yerba mate and matcha) from GURU for \$19.98 (Sam's Club (see picture on the left), a case of thirty 7.5-ounce cans of soda (ten each of 7UP, A&W root beer and Sunkist orange) from Dr. Pepper Snapple for \$11.49 (BJ's), a case of twenty-four 8.45-ounce cans of Korean carbonated soft drink (six each of milk, strawberry, lemon and apple) from Milkis for \$14.49 (Costco, see picture on the right), a case of twenty-four 16-ounce bottles of zero sugar energy drink (eight each of cherry, orange and white gummy) from Reign for \$33.98 (Sam's Club) and a case of thirty 12-ounce cans of zero calorie soda (five each of cola, root beer, ginger ale, black cherry, cream soda and grape) from Zevia for \$16.98 (Sam's Club).



Costco—Milkis Korean Carbonated Soft Drink

Spices – In terms of non-private label spice brands at each club, different strategies existed. BJ's three key brands included: McCormick (15 items), Badia (nine SKUs) and Kinder (four products). Costco's three key brands included: Kinder (four organic items), Spice Island (two organic items) and McCormick (one organic item). Sam's two key brands included: Kinder (18 products) and Weber (13 items).

Sam's stocked the following three Magnolia Star Baking items: an eight-ounce bottle of almond extract for \$6.98, an eight ounce bottle of lemon extract for \$6.98 and an eight-ounce bottle of pure vanilla extract for \$12.98.

FINANCIAL

PriceSmart

PriceSmart Reports Second Quarter Sales and Operating Results

PR Newswire – April 7, 2022

PriceSmart reported second quarter sales and operating results ending February 28, 2022 via a press release and conference call with financial analysts. The following is a summary of that information:

Sales and Earnings – PriceSmart reported second quarter merchandise sales increased 12.6% from \$898.4 million last year to \$1.01 billion this year. Membership revenues increased 9.2% from \$13.8 million last year to \$15.1 million this year and overall revenues (including export sales and other revenue) increased 10.8% from \$937.6 million last year to \$1.04 billion this year. Operating income increased 7.4% from \$45.0 million last year to \$48.3 million this year and net income increased 11.1% from \$28.3 million last year to \$31.5 million this year.

Sherry S. Bahrambeygui, PriceSmart's chief executive officer, said, "Our team achieved a record second quarter with net merchandise sales of more than \$1 billion for the first time in our company's history. This quarter marks record performance in net merchandise sales, earnings per share, membership base and renewal rates. We continue the pursuit of our three drivers of growth that include expanding our real estate footprint, enhancing member benefits and increasing incremental sales through PriceSmart.com."

Merchandise Gross Margins – Second quarter merchandise gross margins decreased 31 basis points from 15.95% last year to 15.64% this year.

Comparable Sales – Second quarter comparable sales increased 10.3% excluding foreign currency exchange (fx) and increased 7.6% including fx.

March, 2022 – PriceSmart reported that March, 2022 sales increased 9.9% to \$338.1 million and comparable sales including fx increased 9.8%.

Category Sales – In terms of overall sales growth by category/department: food increased 8%, cleaning increased 9%, beverages increased 30%, liquor increased 14%, fresh chicken increased 18%, fresh meat increased 14%, fresh seafood increased 14%, non-foods increased 15%, hardware increased 25%, garden and patio increased 29%, casual apparel increased 36%, basic apparel increased 49% and other business increased 16% (primarily driven by food service and bakery).

Central America – Sales at PriceSmart's 27 locations in Central America increased 13.6% and comparable sales increased 10.6%. All markets in Central America produced strong comparable sales except Guatemala. PriceSmart operates five locations in Guatemala. Its most recently opened location in Aranda (opened 2021) pulled sales from existing locations producing a small negative comparable sales figure in Guatemala for the quarter.

Caribbean – Sales at PriceSmart's 13 clubs in the Caribbean increased 13.0% and comparable sales increased 13.1%.

Colombia – Sales at PriceSmart's nine locations in Colombia increased 7.2% while comparable sales increased 1.7%. Excluding foreign currency exchange, Colombia merchandise sales would have increased 14.0% and comparable sales would have increased 13.1%.

Private Label – During the first two quarters of its 2022 fiscal year, private label (Member's Select) sales penetration was 23.5% of merchandise sales. That is a 200 basis point increase compared to its 21.5% private label penetration at the end of fiscal 2021. Private label domestic sales (towels, pillows, sheets and blankets) have grown 180%. PriceSmart is in the process of introducing Member's Select cookware, food storage and mixing bowl SKUs. Over the past several years, PriceSmart increased the number of people in its private label buying department from six to 11.

Over the past couple years, Trinidad & Tobago has been a difficult market because the company has been challenged to convert income to U.S. dollars. PriceSmart found a creative way to address this situation. It worked with a local Trinidad & Tobago supplier to develop Member's Select copy paper that will be exported to every location.

Membership – PriceSmart ended the quarter with 1.7 million membership accounts, an increase of 7.3% compared to last year.

Membership Renewal – PriceSmart reported its trailing 12-month renewal rate for its 2022 second quarter was 89.8% compared to 89.6% at the end of its 2021 fiscal year, 80.5% at the end of its 2020 fiscal year and 85.7% at the end of its 2019 fiscal year.

Growth – PriceSmart will focus on three primary drivers for future growth: real estate (new locations and distribution), membership value and digital sales.

Real Estate – PriceSmart said that over the next three to five years, it will accelerate its pace of club growth including new markets. PriceSmart opened its 50th location in April, 2022 in Portmore, Jamaica, its second in the country. The company will open its 51st location in Medellin, Colombia in 2023. This will be the company's 10th location in the country.

The company is expanding its distribution network with the ultimate goal of improving its in-club and online supply chain efficiency and lowering member retail prices. It is working on opening new distribution centers in Northern Central America and Colombia.

PriceSmart will be expanding its number of produce distribution centers from four units currently (Costa Rica, Panama, the Dominican Republic and Colombia) to six with new units in Guatemala and Trinidad and Tobago. These produce distribution centers also enable PriceSmart to centralize certain production activities for its bakery, meat and packaging and labeling departments and services.

Membership Value – PriceSmart operates optical centers in 45 locations with two more planned for this current fiscal year. The department provides free eye exams for members and additional family. Optical sales increased 79% compared to last year.

At the end of its first quarter, PriceSmart operated audiology centers in five locations (all in Guatemala). The company plans to add the department to approximately 30 locations by the end of August, 2022. The department provides free hearing exams for members and additional family.

PriceSmart currently operates pharmacies at all eight locations in Costa Rica. PriceSmart will expand the operation to all seven clubs in Panama by August, 2023.

Digital – PriceSmart has found that members who shop on PriceSmart.com and in its locations generally spend more than members who just shop in its clubs. The average online transaction is 9.3% higher than the average in-club purchase. Second quarter online sales represented 3.5% of merchandise sales. Please note, PriceSmart's online sales include its Click & Go/curbside service.

PriceSmart continually works to increase member involvement with its web site and 15% of second quarter new members signed up online and 7.5% of PriceSmart's total membership is signed up for auto renewal. As of the end of February, 2022, 42% of members have an online profile on PriceSmart.com. Two years ago, this figure was approximately zero.

Costco Wholesale

Costco Reports March, 2022 Sales

Globe Newswire – April 6, 2022

Costco reported March, 2022 worldwide sales increased 18.7% from \$18.21 billion last year to \$21.61 billion this year. It's estimated that U.S. sales increased 18.3% to \$15.56 billion and international sales increased 19.5% to \$6.05 billion.

Costco reported overall comparable sales increased 17.2% with United States location increasing 19.1%, Canadian locations increasing 15.7% and other international locations increasing 8.4%. Excluding gasoline and foreign currency exchange (gas/fx), overall comparable sales increased 12.2% with United States locations increasing 12.7%, Canadian locations increasing 12.2% and other international locations increasing 10.1%.

The March, 2022 time period included one more day compared to the March, 2021 time period. This increased overall comparable sales by 1.5% to 2%. Gasoline sales positively affected overall comparable sales by 5.7%.

March, 2022 online sales increased 8.9%. Worldwide traffic increased 8.2% and United States traffic increased 7.0%. Costco's worldwide average transaction increased 9.0% including gas/fx and increased 4.0% excluding gas/fx.

In terms of comparable sales by category and department: food and sundries increased in the low to mid teens (sundries, frozen and candy were the stronger categories), fresh foods increased in the high single digits (bakery and service deli were the stronger categories), non foods increased in the mid single digits (toys, tires, automotive and jewelry were the stronger categories) and ancillary increased in the mid 50s (gasoline, food court and pharmacy were the stronger categories).

Regionally and internationally, sales were strong in San Diego, the Midwest, San Francisco, Australia, Mexico and the United Kingdom.

Costco ended the month with 829 worldwide locations including: 569 in the United States, 105 in Canada, 40 in Mexico, 30 in Japan, 29 in the United Kingdom, 16 in Korea, 14 in Taiwan, 13 in Australia, four each in Puerto Rico and Spain, two each in France and China and one in Iceland.