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- HBA Observations—5.
- Costco Ranked Second—9.
- BJ's Adds Two Directors—9.

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

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

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

This article analyzes the softlines, health and beauty aids (see picture on the right from Sam's Club of an Everlywell indoor and outdoor at-home mail-in allergy lab test kit that reports on 40 common allergies for \$149.98), sporting goods, books, office and alcohol categories. This article is divided into the following four sections: sales estimates, item data background, end caps and category observations.



Sales Estimates

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

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

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

2022 Worldwide Sales	BJ's (235 clubs)				Costco (847 clubs)				Sam's Club (848 clubs)				Industry	
	Sales (million)	Pct	SKU	\$/Week/Club	Sales (million)	Pct	SKU	\$/Week/Club	Sales (million)	Pct	SKU	\$/Week/Club	Sales (million)	Pct
HBA	\$807	4.3%	497	\$133	\$15,314	6.7%	343	\$1,014	\$3,231	2.8%	396	\$185	\$19,352	5.3%
Office, Books	\$322	1.7%	456	\$58	\$5,348	2.3%	139	\$874	\$2,750	2.4%	461	\$135	\$8,420	2.3%
Seasonal, Sports	\$401	2.1%	357	\$92	\$6,434	2.8%	199	\$734	\$2,589	2.3%	262	\$224	\$9,424	2.6%
Softlines	\$735	3.9%	555	\$108	\$14,948	6.5%	505	\$672	\$5,385	4.7%	772	\$158	\$21,068	5.8%
Tobacco, Alcohol	\$695	3.7%	566	\$100	\$14,285	6.3%	229	\$1,416	\$5,385	4.7%	155	\$788	\$20,365	5.6%
Department	\$2,960	15.8%	2,431	\$100	\$56,329	24.6%	1,415	\$904	\$19,340	16.9%	2,046	\$214	\$78,629	21.7%
Company	\$18,774		5,418	\$222	\$228,560		3,241	\$1,276	\$114,571		4,568	\$460	\$361,905	

Category Penetration – *WCF* has been

estimating a category's percentage of sales (penetration) since 1997. There are three important points to understand about these figures. First, the club operators do not provide detailed category penetration information.

Second, BJ's, Costco and Sam's Club report overall department penetration figures in their annual reports. *WCF* "ties" its individual category penetration estimates to the reported figures for each club making sure that, in a general sense, the estimates are based on objective data. Third, our estimates are constantly updated based on vendor feedback and *WCF* research.

Department Sales – The chart above provides 2022 calendar year department sales estimates (in millions) for health and beauty aids, office/books, seasonal/sports, softlines and tobacco/alcohol on a worldwide basis. The percentage figure to the right of each department's sales total is the penetration of overall calendar year sales. The dollar figure to the right of each department's SKU count represents the average sales per item per week per club.

For example, the softline department (apparel, baby, bed and bath and jewelry) at Costco generated 2022 worldwide sales of \$14.95 billion which represented 6.5% of the company's worldwide sales of \$228.56 billion. There are 505 softline SKUs at Costco with each one averaging weekly sales per club of \$672.



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BJ's Wholesale		2022 Calendar Sales			SKU Count			Pallet per Item			Average Retail		
Dept.	Category	Sales (million)	PCT	\$/Week/Club	2012	2020	2023	2012	2020	2023	2012	2020	2023
HBA	HBA	\$807	4.3%	\$133	591	587	497	0.4	0.4	0.3	\$17	\$19	\$20
Office, Books	Books, Crafts	\$113	0.6%	\$33	762	226	277	n/a	n/a	n/a	n/a	n/a	n/a
	Computer, Supplies, Software	\$77	0.4%	\$191	73	33	33	0.4	0.3	0.3	\$125	\$156	\$248
	Equipment, Furniture, Security	\$38	0.2%	\$82	42	33	38	0.5	0.7	0.6	\$86	\$95	\$117
	Supplies, School, Cartridges	\$94	0.5%	\$71	112	153	108	0.3	0.4	0.3	\$29	\$23	\$27
Seasonal, Sports	Non Food Seasonal	\$244	1.3%	\$67	148	46	299	0.5	0.6	0.6	\$98	\$97	\$159
	Sports, Camping, Luggage	\$26	0.1%	\$177	38	10	12	0.5	0.4	0.5	\$82	\$96	\$88
	Toys, Video Games	\$131	0.7%	\$233	161	27	46	0.3	0.5	0.3	\$47	\$23	\$56
Softlines	Apparel	\$329	1.8%	\$64	328	399	421	0.3	0.3	0.3	\$17	\$17	\$18
	Baby Food and Supplies	\$319	1.7%	\$304	119	85	86	0.6	0.6	0.6	\$27	\$30	\$39
	Bed, Bath, Mattresses	\$83	0.4%	\$142	125	77	48	0.4	0.5	0.6	\$41	\$61	\$109
	Jewelry, Fragrances, Collectibles	\$4	0.0%	n/a	575	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tobacco, Alcohol	Tobacco	n/a	n/a	n/a	75	60	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Beer				16	35	38	0.9	0.7	0.8	\$18	\$20	\$22
	Champagne, Liquor, Hard Seltzer	\$695	3.7%	\$99	11	208	212	0.3	0.5	0.4	\$24	\$45	\$46
	Wine				173	279	316	0.3	0.4	0.4	\$12	\$13	\$13
Total		\$2,960	15.8%	\$100	3,349	2,258	2,431	0.4	0.4	0.4	\$35	\$29	\$49

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Costco's overall sales penetration in these five departments is significantly higher than BJ's and Sam's Club. These five departments represent 24.6% of overall worldwide sales at Costco compared to 16.9% of overall worldwide sales at Sam's Club and 15.8% of overall United States sales at BJ's.

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 2022 worldwide calendar year category sales (in millions), the percentage of overall sales for a category and the average weekly sales per item per club.

BJ's Wholesale End Cap Analysis						
June, 2023						
Brand	Item	Package	Retail	Count	Value	
Bacardi	Silver Label Light Rum	1 1.75 ltr	\$19.99	320	\$6,397	
Beringer	White Zinfandel	1 1.5 ltr	\$7.99	884	\$7,063	
Berkley & Jensen	Comforter Set - Twin	1 2 ct	\$49.99	20	\$1,000	
Corona	Extra Beer	24 12 oz	\$27.99	72	\$2,015	
Dove	Body Wash - Purely Pampering	3 23 oz	\$17.99	288	\$5,181	
Kendall Jackson	Chardonnay	1 750 ml	\$11.59	576	\$6,676	
Sam Adams	Summer Ale	12 12 oz	\$15.99	120	\$1,919	
Stella Artois	Belgian Pilsner	24 11.2 oz	\$27.99	72	\$2,015	
Wasatch	Gun Safe - 24 guns	1 1 ct	\$749.99	2	\$1,500	
Wellsley Farms	Pinot Noir - Tri County	1 750 ml	\$9.99	540	\$5,395	
Average End Cap				\$93.95	\$3,916	

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Some categories do not list a weekly per item club sales estimate. This is because, when WCF counted the SKUs, a category's assortment could have been reduced for strategic reasons or was in between seasons. The low SKU count in those categories would have distorted the average weekly sales per item per club figure.

Item Data Background

The product data and pictures for this analysis were gathered in June, 2023

from BJ's, Costco and Sam's Club locations in Arkansas, Massachusetts and New Hampshire (see picture on the right at Costco of a two-SKU pallet from Nature's Truth with a 180-count bottle of 1,200-mg apple cider vinegar capsules for \$18.99 and a 120-count bottle of 500-mg organic apple cider vinegar gummies for \$18.99). The item background information covers four topics: national takeaway, data accuracy, retail pricing and category merchandising.

National Takeaway – WCF has visited numerous clubs nationally and internationally over the past 27 years. One of the lessons we learned is that while there are always differences to be found within each club operator from state to state and region to region, the merchandise assortment of the majority of the departments and categories in the club channel are similar across the country. Given that finding, the department and category data and analysis in this issue are sound representations of the overall club industry.



Costco—Nature's Truth Apple Cider Pills

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Data Accuracy – The information and data in this issue should be used as a guide to planning, understanding and evaluating your club business. While extensive efforts have been used to assure the accuracy of the data, no guarantees can be made. The data found in this article is not endorsed by BJ's, Costco or Sam's Club. *WCF* made every

Costco		2022 Calendar Sales			SKU Count			Pallet per Item			Average Retail		
Dept.	Category	Sales (million)	PCT	\$/Week/Club	2012	2020	2023	2012	2020	2023	2012	2020	2023
HBA	HBA	\$15,314	6.7%	\$1,014	378	361	343	0.5	0.5	0.5	\$19	\$19	\$24
Office, Books	Books, Crafts	\$1,371	0.6%	\$599	359	133	52	n/a	n/a	n/a	n/a	n/a	n/a
	Computer, Supplies, Software	\$2,148	0.9%	\$762	81	46	64	0.5	0.4	0.5	\$247	\$276	\$977
	Equipment, Furniture, Security	\$480	0.2%	\$1,211	32	24	9	0.8	0.8	1.0	\$107	\$107	\$103
	Supplies, School, Cartridges	\$1,349	0.6%	n/a	82	56	14	0.5	0.4	0.4	\$31	\$38	\$56
Seasonal, Sports	Non Food Seasonal	\$4,046	1.8%	\$505	88	28	182	0.9	1.0	0.8	\$168	\$93	\$201
	Sports, Camping, Luggage	\$709	0.3%	n/a	25	13	9	0.9	0.8	0.9	\$132	\$64	\$94
	Toys, Video Games	\$1,679	0.7%	n/a	23	4	8	0.3	1.0	1.0	\$64	\$25	\$308
Softlines	Apparel	\$6,400	2.8%	\$785	99	151	185	0.5	0.4	0.5	\$17	\$16	\$14
	Baby Food and Supplies	\$1,143	0.5%	\$1,038	28	24	25	0.9	0.9	0.8	\$33	\$41	\$43
	Bed, Bath, Mattresses	\$2,377	1.0%	\$1,058	60	82	51	0.9	0.9	0.9	\$128	\$97	\$90
	Jewelry, Fragrances, Collectibles	\$5,028	2.2%	\$468	356	256	244	n/a	n/a	n/a	n/a	n/a	n/a
Tobacco, Alcohol	Tobacco	\$320	0.1%	n/a	95	40	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Beer				14	22	20	1.0	0.7	0.9	\$21	\$17	\$22
	Champagne, Liquor, Hard Seltzer	\$13,965	6.1%	\$1,391	9	45	73	0.6	0.5	0.6	\$32	\$53	\$129
	Wine				155	182	136	0.5	0.4	0.4	\$16	\$17	\$20
Total		\$56,329	24.6%	\$904	1,884	1,467	1,415	0.6	0.5	0.6	\$61	\$43	\$119

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effort to ensure that all appropriate products were included. Out-of-stock merchandise would have affected the SKU data within this issue.

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

Category Merchandising –

Costco End Cap Analysis						
June, 2023						
Brand	Item	Package	Retail	Count	Value	
Bestway	Above Ground Pool - 22-feet	1 1 ct	\$699.99	2	\$1,400	
Blue Moon	Belgian Ale	24 12 oz	\$24.99	72	\$1,799	
Cascade Mountain	Waterproof Sherpa Fleece Blanket	1 1 ct	\$26.99	120	\$3,239	
Kim Crawford	Sauvignon Blanc - New Zealand	3 750 ml	\$32.99	180	\$5,938	
Kirkland Signature	Hard Seltzer Variety	24 12 oz	\$23.99	104	\$2,495	
Oral B	Brush Heads - Floss Action	1 10 ct	\$54.99	400	\$21,996	
Pokemon	Back to School - Pencil Case, Collectible	1 2 ct	\$26.99	240	\$6,478	
Seagate	Desktop Hard Drive - 8 terabytes	1 1 ct	\$149.99	150	\$22,499	
South Point Home	Microfiber Sheet Set - Recycled	1 6 ct	\$19.99	160	\$3,198	
Tresanti	Adjustable Height Desk - Stand, Sit	1 1 ct	\$299.99	6	\$1,800	
Average End Cap				\$136.09	\$7,871	

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The category data charts provide product merchandising information (at the time of *WCF's* location visit) which includes three years of SKU, merchandising space and average retail pricing data (2012, 2020 and 2023). 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. 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.

End Caps

WCF randomly selected ten softline, health and beauty aid, sporting good, book, office and alcohol end cap items. The brand, description, package, retail price and estimated pallet count of each item was recorded. The pallet count was based on the estimated full pallet height. The retail inventory value of an item was calculated by multiplying the retail price times the pallet count. The end cap charts are on page three for BJ's, page four for Costco and page five for Sam's Club.

BJ's – The end cap assortment at BJ's included: a 1.75-liter bottle of Bacardi silver label light rum for \$19.99, a 1.5-liter bottle of Beringer white zinfandel for \$7.99, a box of three 23-ounce bottles of purely pampering body wash from Dove for \$17.99, a case of twelve 12-ounce bottles of Sam Adams summer ale for \$15.99, a Wasatch 24-gun capacity safe for \$749.99 and a 750-milliliter bottle of Wellsley Farms private label tri-county pinot noir for \$9.99.

Costco – Some of the end cap products at Costco included: a 22-foot above ground pool from Bestway for \$699.99, a case of twenty-four 12-ounce bottles of Blue Moon Belgian ale for \$24.99, a box of three 750-milliliter bottles of Kim Crawford New Zealand sauvignon blanc for \$32.99, a package of ten floss action brush heads from Oral B for \$54.99, a Pokémon back-to-school set with a pencil tin, a collectible tin and trading cards for \$26.99 (see picture on the right), an eight-terabyte desktop hard drive from Seagate for \$149.99 and a Tresanti adjustable height stand or sit desk for \$299.99.



Costco—Pokémon Back-To-School Set

Sam's Club – The end cap assortment at Sam's Club included: a waterslide with three slides from H2O Go for \$299.98, a Keter elevated garden bed for \$109.98, a set of two 16-pound bags of Kingsford match light charcoal for \$24.98, a Lifetime tandem kayak with two paddles for \$399.98, a set of five 14-lumen solar lights from Member's Mark private label for \$24.98, an Adventure 2 inflatable paddleboard from Nautica for \$399.98 and a 22-pound container of Preen garden weed preventer for \$36.98.

Sam's Club		2022 Calendar Sales			SKU Count			Pallet per Item Average Retail					
Dept.	Category	Sales (million)	PCT	\$/Week/Club	2012	2020	2023	2012	2020	2023	2012	2020	2023
HBA	HBA	\$3,231	2.8%	\$185	405	395	396	0.3	0.4	0.4	\$17	\$19	\$24
Office, Books	Books, Crafts	\$917	0.8%	\$76	461	255	275	n/a	n/a	n/a	n/a	n/a	n/a
	Computer, Supplies, Software	\$630	0.5%	\$223	109	56	64	0.4	0.4	0.4	\$180	\$233	\$451
	Equipment, Furniture, Security	\$286	0.2%	\$216	58	37	30	0.9	0.6	0.7	\$117	\$133	\$184
	Supplies, School, Cartridges	\$917	0.8%	\$226	219	209	92	0.3	0.3	0.4	\$28	\$30	\$33
Seasonal, Sports	Non Food Seasonal	\$1,833	1.6%	\$190	82	52	219	0.8	0.8	0.7	\$90	\$96	\$193
	Sports, Camping, Luggage	\$298	0.3%	\$422	34	17	16	0.8	0.8	0.8	\$101	\$100	\$86
	Toys, Video Games	\$458	0.4%	\$385	128	39	27	0.3	0.8	0.5	\$39	\$37	\$48
Softlines	Apparel	\$1,948	1.7%	\$213	220	153	207	0.3	0.3	0.5	\$13	\$14	\$15
	Baby Food and Supplies	\$1,260	1.1%	\$550	53	64	52	0.5	0.5	0.5	\$27	\$34	\$40
	Bed, Bath, Mattresses	\$917	0.8%	\$408	104	82	51	0.5	0.6	0.7	\$76	\$139	\$244
	Jewelry, Fragrances, Collectibles	\$1,260	1.1%	\$62	541	447	462	n/a	n/a	n/a	n/a	n/a	n/a
Tobacco, Alcohol	Tobacco	\$344	0.3%	n/a	95	70	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Beer	\$5,041	4.4%	\$738	85	55	41	0.5	0.6	0.5	\$12	\$14	\$18
	Champagne, Liquor, Hard Seltzer				5	17	4	0.3	0.4	0.3	\$41	\$19	\$16
	Wine				134	83	110	0.5	0.4	0.4	\$14	\$14	\$20
Total	\$19,340				16.9%	\$214	2,733	2,031	2,046	0.4	0.4	0.5	\$43

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Sam's Club End Cap Analysis

June, 2023

Brand	Item	Package	Retail	Count	Value
H2O Go	Triple Slide Waterslide	1 1 ct	\$299.98	14	\$4,200
Hanes	Vneck T-Shirt	1 6 ct	\$19.98	280	\$5,594
Keter	Elevated Garden Bed - Wood Look	1 1 ct	\$109.98	80	\$8,798
Kingsford	Match Light Charcoal	2 16 lb	\$24.98	60	\$1,499
Lifetime	Tandem Kayak - Two Paddles	1 1 ct	\$399.98	3	\$1,200
Member's Mark	Solar Lights - 14 Lumen	1 5 ct	\$24.98	75	\$1,874
Nautica	Inflatable Paddleboard - Adventure 2	1 1 ct	\$399.98	20	\$8,000
Olay	Regenerist - Hyaluronic - Peptide 24	2 1.7 oz	\$46.48	250	\$11,620
Preen	Garden Weed Preventer	1 22 lb	\$36.98	64	\$2,367
Stomp Rocket	Dueling Rockets	1 12 ct	\$20.98	70	\$1,469
Average End Cap			\$138.43		\$4,662

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Category Observations

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

HBA – BJ's continues to stock the most HBA products among the three clubs but its selection has decreased recently from an average of 589 items in 2012 and 2020 to 497 SKUs in 2023. Sam's

stocked the second most HBA items but its assortment has remained consistent with 405 products in 2012, 395 SKUs in 2020 and 396 items in 2023. Costco stocks the fewest HBA items in the club channel and its selection has gradually decreased from 378 products in 2012 to 361 SKUs in 2020 to 343 items in 2023.

HBA – Band-Aid – All three clubs stocked a Band-Aid adhesive bandage item. BJ's and Sam's Club stocked

the same item: a 163-count box of Band-Aid adhesive bandages with 25 skin flex, 20 water block, 100 flexible, ten fabric and eight flexible in a to-go container for \$13.79 or 8.4-cents per bandage at BJ's and \$12.78 or 7.8-cents per bandage at Sam's Club. Costco stocked a larger package: a 198-count box of Band-Aid adhesive bandages with 20 water block, 100 flexible, 60 tough strips, 10 flexible XL and eight flexible in a to-go container for \$14.99 or 7.6-cents per bandage.

HBA – Men's Razors – The manual (non-electric) men's razor and cartridge selection was recorded at each club. Costco stocked four items: three from Gillette and one from Harry's. BJ's stocked seven products: four from Gillette, two from Berkley & Jensen private label and one from Dollar Shave Club. Sam's Club stocked 11 SKUs: nine from Gillette and one each from Philips Norelco and Schick.

There are no items stocked by all three clubs. However, there are two products with different features stocked by all three clubs. Costco stocked a 16-count package of Gillette proglide plus cartridges with comfort boost technology for \$52.99 or \$3.31 per cartridge. BJ's stocked a 14-count package of Gillette cartridges with 12 proglide and two proglide yellow shield for \$52.99 or \$3.78 per cartridge and Sam's Club stocked a 13-count package of Gillette proglide yellow shield cartridges for \$46.98 or \$3.61 per cartridge.

Costco stocked a 20-count package of Gillette mach3 turbo cartridges for \$42.99 or \$2.15 per cartridge. BJ's stocked a 20-count package of Gillette mach3 cartridges for \$44.99 or \$2.25 per cartridge and Sam's Club stocked a 20-count package of Gillette mach3 cartridges for \$38.48 or \$1.92 per cartridge.

All three clubs stocked disposable razors. Costco stocked one item: a 36-count package of Gillette custom plus3 disposable razors for \$34.99 or 97-cents per razor. BJ's stocked three products: a 52-count package of Berkley & Jensen twin-blade disposable razors for \$19.99 or 38-cents per razor, a 52-count package of Gillette sensor2 plus disposable razors for \$34.99 or 67-cents per razor and a 20-count package of xtreme3 sensitive disposable razors from Schick for \$26.99 or \$1.35 per razor. Sam's Club stocked two SKUs: a 52-count package of Gillette sensor2 plus disposable razors for \$32.98 or 63-cents per razor and a 20-count package of xtreme3 sensitive disposable razors from Schick for \$21.98 or \$1.10 per razor.

All three clubs stocked combination packages with a razor handle and cartridges. Costco stocked one combination product: a 14-count package from Harry's with a Truman razor handle and 13 Truman cartridges for \$25.99. BJ's stocked three combination items: a 14-count package from Berkley & Jensen with a razor handle and 13 triple-blade cartridges for \$19.99, an eight-count package from Dollar Shave Club with a razor handle, a bottle of shaving balm and six cartridges for \$22.99 and a 16-count package from Gillette with a fusion5 handle and 15 fusion5 cartridges for \$49.99.



Sam's Club stocked five combination SKUs: a ten-count package from Gillette with a fusion5 handle and nine fusion5 cartridges for \$32.48, a six-count package from Gillette Labs with an exfoliating handle, six exfoliating cartridges, a stand and travel case for \$39.98, a 14-count package from Gillette with a proglide handle and 13 proglide cartridges for \$49.58, a 14-count package from Gillette with a skinguard handle and 13 skinguard cartridges for \$40.98 and a four-count package from Philips Norelco with a face and body trimmer shaver handle, three face and body trimmer shaver cartridges and a travel pouch for \$49.98 (see picture on the left).

HBA – Children's Multivitamins – The children's multivitamin SKU assortment at each club was recorded. BJ's stocked four products with one each from Bayer (Flintstone's), Berkley & Jensen, L'il Critters and Smarty Pants. Sam's Club stocked four items with one each from Bayer (Flintstone's), Olly, L'il Critters and Smarty Pants. Costco stocked five SKUs with three from L'il Critters and one each from Kirkland Signature private label and Smarty Pants.

Two items were stocked at all three clubs. All three clubs stocked a 300-count bottle of L'il Critters children's multivitamin gummies for \$13.38 at Sam's Club, \$13.99 at Costco and \$14.79 at BJ's. All three clubs stocked a 180-count bottle of Smarty Pants children's multivitamin gummies for \$16.98 at Sam's Club, \$16.99 at Costco and \$17.99 at BJ's.

Some of the other SKUs included: a 250-count bottle of Berkley & Jensen children's multivitamin gummies for \$9.99 (BJ's), a package of two 160-count bottles of Kirkland Signature children's multivitamin gummies for \$10.99 (Costco), a 220-count bottle of L'il Critters omega-3 children's multivitamin gummies for \$13.99 (Costco), a 250-count bottle of Flintstone's complete children's multivitamin gummies from Bayer for \$15.42 (Sam's Club) and a 160-count bottle of probiotic children's multivitamin gummies from Olly for \$19.88 (Sam's Club).

HBA – Unique Items – Several unique HBA products were observed at Sam's Club. Those included: a 351-piece Ansi ISEA first aid kit from Be Smart Prepared for \$29.28, a 120-count men's essential supplement set with 30 probiotic pills, 60 multivitamin pills and 30 focus pills from care/of for \$34.98, a 120-count women's essential supplement set with 30 probiotic pills, 60 multivitamin pills and 30 energy pills from care/of for \$34.98 (see picture on the right), a package of six 5-ounce bars of men's natural soap (two each of fresh falls, barrel bourbon and birchwood) from Dr. Squatch for \$28.98, an Everlywell food sensitivity at-home mail-in test kit that reports on 96 common foods for \$149.98, a package of 50 blood glucose easy touch testing strips from Member's Mark for \$8.98, an easy touch blood glucose meter from Member's Mark for \$17.23 and an ultimate face and body at-home waxing kit from Wakse for \$42.98.



Sam's—Women's Essential Pills

Costco stocked: a 548-yard package of GUM pro weave dental floss with three 180-yard spools and two 4-yard travel spools from Sunstar or \$12.99 and a package of three 16-ounce bottles of Harry's body wash (one bottle each of stone, fig and wildlands) for \$17.99. BJ's stocked: a 225-count case of first aid treatments for cuts and scrapes from Acme United for \$19.99, a 200-count box of Berkley & Jensen fabric adhesive bandages for \$4.99 and a package of two 30-ounce bottles of Old Spice swagger body wash for \$14.49 (Sam's Club stocked a package of two 30-ounce bottles of Old Spice body wash with a bottle of swagger and a bottle of cedarwood for \$12.88).

Books and Crafts – Historically, this category was comprised of book, movies, music and crafts. Today, it is primarily books and crafts. Costco decreased its assortment dramatically from 359 items in 2012 to 133 products in 2020 to 52 SKUs in 2023. Costco's merchandising consisted of a two-pallet display with product stacked on top by a Costco employee and a multi-SKU pallet display of books shipped from a vendor.

Some of the items observed at Sam's Club included: an ArtSkills clay in motion set with ten clay packs, three tools, a marker, 42 pop out shapes and nine motors for \$14.98, a Disney Junior five-piece quiz it set of four books with over 300 questions and answers and a smart pen for \$19.98, an Epic Lab zoom racer kit with four cars for \$14.98 (see picture on the right), a seven-piece Roger Priddy book set with five books, a cloth book and a baby bib from MacMillan for \$16.48, a National Geographic light up air rocket kit with a launching base, an extra-large foot pump and two light up rockets for \$21.98 and a nine-piece Paw Patrol electronic reader with eight books and the electronic reader from Nickelodeon for \$22.98.



Sam's—Epic Lab Zoom Racing Kit

Computer, Supplies and Software – This category includes gaming notebooks and gaming desktop computers. Costco and BJ's stocked the largest number of computer, supply and software SKUs. The primary reason for Costco's larger than normal selection is the number of gaming and traditional notebooks.

In terms of gaming products, Costco stocked two gaming laptops (Hewlett Packard and MSI) and two gaming desktop computers (IBuyPower and MSI). Sam's Club stocked five gaming systems with two gaming laptops (MSI and ASUS) and three gaming desktop computers (two from Cyberpower and one from Hewlett Packard). WCF did not observe any gaming laptop or desktop computer at BJ's.

The printer selection at each club was recorded. BJ's stocked four items: three from Hewlett Packard and one from Epson. Costco stocked five products: two from Epson and three from Hewlett Packard. Sam's Club stocked seven SKUs and all were from Epson.

The Epson selection at Sam's Club included: an Ecotank ET2840 SE printer for \$279.87, an Ecotank ET2850 printer for \$279.87 (BJ's and Costco stocked the same item for \$279.99 each), an Ecotank ET3850 printer for \$379.87 (Costco stocked the same item for \$379.99), an Ecotank ET4850 printer for \$479.87, an Ecotank Pro ET5180 printer for \$599.87, a Workforce WF4834 printer for \$169.87 and a Workforce WF2930 printer for \$99.87.



Sam's—Funko Pop Figures

Toys and Video Games – The summer seasonal beach and outdoor toys that each club stocked were counted in the seasonal category. The toy SKUs counted in this toy and video game category were not beach and outdoor related.

Some of the toy and video game SKUs included: a Nintendo Switch OLED bundle with a 12-month family membership, a case and a 128-gigabyte micro SD card for \$399.99 (Costco), a country cottage themed (16-piece) or farm life themed (17-piece) preschool play set from Member's Mark for \$24.98 (Sam's Club), a Sony PlayStation 5 God of War bundle with an additional wireless controller, charging station and game voucher for \$649.99 (Costco), an Xbox Series S system with a digital console, headset and 512-gigabyte

drive for \$299.99 (Costco), a Funko Pop (see picture on the left) mega 18-inch figure (either Harry Potter, Batman or Groot from the Guardians of the Galaxy) for \$79.98 (Sam's Club) and a Disney three-wheeled scooter with stickers from Disney in the Mickey Mouse, princess or Mandalorian theme (see picture on the right) for \$39.98 (Sam's Club).



Sam's—Disney Jetson Scooter

Office Equipment, Furniture and Phones – Security systems are divided into two categories. Business-oriented security systems are counted as part of the office equipment, furniture and phone category while consumer-oriented security systems are counted as part of the hardware category.

The office equipment, furniture and phone selection at Costco and Sam's Club has decreased. Costco's assortment decreased from 32 items in 2012 to 24 products in 2020 to nine SKUs in 2023 and Sam's selection decreased from 58 items in 2012 to 37 products in 2020 to 30 SKUs in 2023. BJ's assortment included: a Casio calculator for \$8.99 and a Casio scientific calculator for \$9.99.

Sports and Luggage – Several unique sports and luggage items were observed at Sam's Club. Those items included three Arkansas Razorback themed items from Logo Brands: a 32-can capacity backpack cooler for \$34.98, a porch leaner for \$39.98 and a venture tote bag for \$79.98 (see picture on the right). Other sports and luggage products at Sam's Club included: a set of 12 Callaway super soft golf balls for \$43.98, a two-piece set of children's luggage from Disney with a 21-inch tall roller suitcase and a 12-inch high backpack for \$44.98, a 40-inch Echelon reflect touchscreen workout mirror for \$799.00 (see picture on the left), a hardside carry-on luggage case with a USB charger and a front pocket from Member's Mark for \$89.98, a ten-piece junior golf set from PGA for \$149.98, a Taylor Made TM21 golf cart bag for \$119.98 and a set of 24 three-piece professional golf balls from Vice for \$49.98.



Sam's—Echelon Reflect Touch Sport



Sam's—Arkansas Razorback Products

Office Supplies, School and Cartridges – As with office equipment, furniture and phones, Costco and Sam's Club reduced their assortment of office supplies, school and cartridges. Costco assortment decreased from 82 items in 2012 to 56 products in 2020 to 14 SKUs in 2023 and Sam's selection decreased from 219 items in 2012 to 209 products in 2020 to 92 SKUs in 2023.

The copy paper assortment at each club was recorded. BJ's stocked five items: five from Hewlett Packard and one from TST Impreso. Costco stocked two items: one each from Georgia Pacific and a commodity brand. Sam's Club stocked three items: one each from Hammermill, Hewlett Packard and Member's Mark.

All three clubs stocked 92-bright 20-pound copy paper. Costco stocked a case of ten 500-count reams from the commodity brand for \$39.79 or \$3.98 per ream. Sam's Club stocked: a case of eight 500-count reams from Hammermill for \$39.98 or \$5.00 per ream and a case of ten 500-count reams from Member's Mark for \$39.87 or \$3.98 per ream.

BJ's stocked: a case of three 500-count reams from Hewlett Packard for \$19.99 or \$6.66 per ream, a case of five 500-count reams from Hewlett Packard for \$28.99 or \$5.80 per ream, a case of eight 500-count reams from Hewlett Packard for \$41.99 or \$5.25 per ream and a case of ten 500-count reams from TST Impreso for \$45.99 or \$4.60 per ream.

In terms of premium paper, BJ's and Sam's Club stocked a 750-count package of 96-bright 22-pound paper from Hewlett Packard for \$13.99 or 1.9-cents per piece at BJ's and \$8.87 or 1.2-cents per piece at Sam's Club. Costco stocked an 800-count package of 97-bright 24-pound paper from Georgia Pacific for \$9.99 or 1.2-cents per piece.

The 3M Post-it note selection at each club was recorded. Sam's Club stocked two items and BJ's stocked three products. WCF did not observe any 3M Post-it note items at Costco. BJ's stocked: a package of twenty-four 100-count packs of 1.5-inch by 2-inch Post-it notes for \$11.49, a package of eighteen 100-count packs of 3-inch by 3-inch Post-it notes for \$13.49 and a package of five 100-count packs of 4-inch by 6-inch Post-it notes for \$11.49. Sam's Club stocked: a package of fourteen 90-count packs of 3-inch by 3-inch super sticky Post-it notes for \$15.52 and a package of eight 100-count packs of 4-inch by 6-inch super sticky Post-it notes for \$20.98.



Costco—Back-to-School Set

Some of the other office supply, school and cartridge items included: a 200-count bucket of ultimate crayons from Crayola for \$13.99 (BJ's), a 200-box of colors of the world crayons from Crayola for \$13.99 (BJ's), a 92-count creativity kit with markers, pencils, paper, chalk and a case from Crayola for \$12.99 (BJ's), a 40-piece back-to-school set from Newell Brands with items from Sharpie, Expo, Elmer's and PaperMate (see picture on the left) for \$14.99 (Costco) and a 14-piece moving and storage box set with eight

medium boxes (18-inch by 15-inch) and six large boxes (21-inch by 17-inch) from Bankers Box (see picture on the right) for \$42.48 (Sam's Club).

Non-Food Seasonal – The summer seasonal category is currently stocked and the May 26, 2023 issue of WCF analyzed each club's assortment. The following four items were not observed at Sam's Club for that issue: an Aqua Joe two-in-one hose powered foam cannon and sprayer for \$13.98, a Disco-O-Bed portable bunk bed with footpads, bags, support of 250-pounds per bed and can be configured as a bench or two single cots for \$289.98, a 35-pound bag of chef's blend wood pellets and hickory, cherry and oak from Kingsford for \$19.98 and a Nubee starter beehive kit with accessories and a painted hive for \$159.98 (see picture on the top of the next page).

Baby Food and Supplies – While the baby food and supply assortments at Costco and Sam's Club have remained fairly consistent, BJ's has reduced its selection. From 2014 to 2019, BJ's averaged 151 baby food and supply SKUs. Since then, from 2020 through 2023, BJ's stocked an average of 93 baby food and supply products.



Sam's—Bankers Box Moving, Storage

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While the majority of the brands and item types within baby food and supply at each club has not changed dramatically over the past couple years, one change did occur in 2020/2021. BJ's and Sam's Club stocked little mover diapers from Huggies since at least 2014. During that time, Costco stocked little mover diapers as well. However, Costco now stocks little mover plus diapers. According to Huggies.com, these plus diapers are described as "our most absorbent diaper for protection during daytime exploring and nighttime slumber."



Sam's—Nubee Starter Beehive Kit

Little mover plus diapers are priced at a very slight premium compared to little mover diapers. For example, Costco stocked a 174-count box of size four little mover plus diapers for \$52.49 or 30.2-cents per diaper. BJ's and Sam's Club both stocked a 156-count case of size four

little mover diapers for \$46.98 and \$46.99 respectively (30.1-cents per diaper).

Some of the unique baby food and supply items included: a 40-count snot sucker saline kit from Frida Baby for \$19.99 (BJ's), a 200-count package of Lansinoh nursing pads for \$26.99 (BJ's) and a five-piece baby bath time fun set with lip balm (0.15-ounce), shampoo (12-ounce), lotion (six-ounce), bubble bath (12-ounce) and a wash cloth from Burt's Bees for \$24.48 (Sam's Club).

Bed, Bath and Mattresses – Some of the bed, bath and mattress SKUs at Costco included: a set of two 16-inch by 28-inch memory foam queen-size pillows from Dream Plush for \$29.99, an expandable 48-inch to 96-inch adjustable curtain rod in silver or black from Evergreen for \$21.99 (see picture on the right) and a 39-inch by 75-inch memory foam rollout lounge for camping, travel, gaming and sleepovers from pureLUX for \$49.99.



Costco—Evergreen Curtain Rod

OBSERVATIONS

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

- According to the 2023 Axios Harris Poll 100 reputation rankings, Costco is the second ranked company. The pollsters asked more than 16,000 people to list two brands with great reputations and two brands with terrible reputations. Those results were used to create the top 100 list of brands that are "most on the minds of Americans". Those respondents were then asked to rank those top 100 brands across nine "reputation-gauging" categories. Patagonia was first, Costco was second and was followed by John Deere, Trader Joe's, Chick-fil-A, Toyota and Samsung. Among all companies, Costco was listed first among three of the "reputation-gauging" categories: trust, growth and culture.
- ButcherBox is primarily a direct-to-consumer meat delivery company that started business in 2015. The company has tested selling its products through specialty grocers but the sales volume was never sufficient to continue. ButcherBox recently began selling 129 BJ's locations a 116-ounce grill box of assorted meat (steaks, burgers, steak tips, pork and Italian sausage) for \$99.99. Mike Salguero, founder and chief executive officer of ButcherBox, said, "Getting our online audience to shop offline is something new for us, but something that we're excited to tackle."
- According to a June 16, 2023 press release, BJ's named Steven L. Ortega and C. Marie Robinson to its board of directors. Ortega currently serves as chairman of the board of directors at Leslie's, Incorporated, a direct-to-consumer pool and spa care product and service company. Ortega was Leslie's president and chief executive officer from 2017 to 2020. Prior to Leslie's, Ortega worked at BI-LO, American Stores Company and Lucky Stores. Robinson is currently executive vice president and chief supply officer at Sysco Corporation, a food products distributor. Prior to Sysco, Robinson worked at Capri Holding, ToysRUs, The Great Atlantic & Pacific Tea Company, Smart & Final and Walmart. Bob Eddy, chairman of the board of directors and chief executive officer of BJ's, said, "Steve is an accomplished executive with decades of retail and omnichannel experience and Marie's deep knowledge of supply chain transformation is invaluable as we now control our perishable and ambient supply chains."

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