

2023/2024 Charter Subscription

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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 Hudson, New Hampshire (opened 1980). The following are observations from these locations.

Del. Costco stocked general staple del 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 On the Border for \$17.99, a package of 12 boxes of 27-ounce Signature brand organic frozen apple slices from On the Border for \$20.99, a package of 100-ounce containers of frozen vegetables with carrots, spinach, onions, tomatoes, peppers, and beans from Chef Mark for \$19.79, a package of 16 15-ounce bags of whole mealizable cheese from Original Signature private label for \$7.99, a package of four 16-ounce chicken and veggie pack cheese tortillas from Newland Foods for \$11.99, a package of two 16-ounce containers of Italian giant cheese and cornmeal tortillas from Sciolino for \$10.99 and a 20-ounce package of Member's Mark private label hand-cut smoked and marinated pork loin ends with barbecue sauce for \$13.99.

Sam's Club stocked a package of four Italian small pizzas (16 grams of protein in each) with various, select recognizable and products from Fresh Republic 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 \$13.99.

Snacks. Costco stocked a wide variety of unique snack and cookie products. These items included a box of organic 1-ounce dark chocolate dipped nut bars from Bobo's for \$11.99 (see picture on the left), a box of twelve 1.75-ounce organic gingersnaps called from Cake Baker for \$11.99, an 18-ounce box of blueberry cookies with real blueberries for \$10.99, a package of 100-ounce containers of 100-ounce organic nut butter and natural cream filling in the middle from Bobo's for \$9.79, a box of twelve 1.75-ounce organic nut butter bars with eight grams of chocolate spread, fudge and peanut butter from On the Border for \$10.99, a box of twelve 1.75-ounce organic snack bars (ten each of banana and honey almond) from Dave's Killer Bread for \$10.99, a box of twelve 1.75-ounce organic granola bars (ten each of chocolate chip and cinnamon) from Kodiak for \$10.49 and a 20-ounce bag of Thai Asian rice crackers mix from Kashi for \$10.99.

Other snack and cookie products at Costco included a 10.75-ounce Japanese bean cake roll (ten thin sticks) each of kaniwa, yuba, meringue, hand-dipped and meringue from Makuru for \$11.99, a case of forty 1-ounce bags of chocolate chip brownie brittle from Choco for \$12.99, a box of twelve 1.75-ounce organic gingersnaps called from Cake Baker for \$11.99, a box of twelve 1.75-ounce organic nut butter and natural cream filling in the middle from Bobo's for \$9.79, a box of twelve 1.75-ounce organic nut butter bars with eight grams of chocolate spread, fudge and peanut butter from On the Border for \$10.99, a box of twelve 1.75-ounce organic snack bars (ten each of banana and honey almond) from Dave's Killer Bread for \$10.99, a box of twelve 1.75-ounce organic granola bars (ten each of chocolate chip and cinnamon) from Kodiak for \$10.49 and a 20-ounce bag of Thai Asian rice crackers mix from Kashi for \$10.99.

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Private Label

Private label programs are an important part of the buying strategy at BJ's, Costco, PriceSmart and Sam's Club. Private label items not only provide each club with brand exclusivity but offer the opportunity for higher gross margins while maintaining product quality and value.

Costco's private label program primarily concentrates on one brand: Kirkland Signature. Sam's private label program primarily concentrates on one brand: Member's Mark. However, Sam's divides that brand into two secondary designations for business items: Member's Mark Food Service and Member's Mark Commercial. BJ's private label program includes two labels: Berkley & Jensen for non-food items and Wellsley Farms for food products.

The following chapter provides an in-depth analysis of the 2023 private label programs at BJ's, Costco and Sam's Club. This chapter is divided into ten sections: buying strategies, data overview, competing with a private label SKU, organic, co-branding, BJ's program, Costco's program, Sam's program, PriceSmart's program and pricing comparison.

Strategies

The clubs strive to offer premium private label products that meet or exceed the quality standards of the competing national brand while still offering a significant value. Private label items are evaluated and decided upon at the corporate level with buyers generally following five strategies:

Merchandise Gross Margin – Private label products typically exceed normal club merchandise gross margins of 8% to 12%. Costco limits its private label merchandise gross margins to a maximum of 15%.

Savings – Private label products typically yield a 20% savings compared to the competing national brand.

While there are club private label items that replace a competing national branded product making a direct pricing comparison impossible, in some cases, club buyers keep both SKUs active.

The chart on the right compares ten randomly selected national branded items and its competing private label product at each club.

The pricing for each private label product and national brand product were compared. The unit price of each item was calculated and the private label savings were determined and appear in the savings column.

	Brand Comparison	National Brand				Private Label				
		Brand	Pack	Retail	Unit	Brand	Pack	Retail	Unit	Savings
Costco	Filters - 16x25x1 - 2200 MPR	3M - Filtrete	3 ct	\$44.99	\$14.9967	Kirkland Signature	4 ct	\$29.99	\$7.4975	100%
	Naproxen Sodium	Aleve	320 ct	\$19.99	\$0.0625	Kirkland Signature	400 ct	\$12.99	\$0.0325	92%
	Fiber Supplement Figer	Benefiber	190 servings	\$22.99	\$0.1210	Kirkland Signature	190 servings	\$13.99	\$0.0736	64%
	Solid White Albacore	Bumble Bee	8-7 oz	\$17.99	\$0.3213	Kirkland Signature	8-7 oz	\$16.99	\$0.3034	6%
	Cookware Set - Hard Anodized	Circulon	13 ct	\$229.99	\$17.6915	Kirkland Signature	12 ct	\$149.99	\$12.4992	42%
	AA Batteries	Duracell	40 ct	\$20.99	\$0.5248	Kirkland Signature	48 ct	\$16.49	\$0.3435	53%
	Chocolate Milk - Aseptic - Organic	Horizon	18-8 oz	\$17.99	\$0.1249	Kirkland Signature	24-8.25 oz	\$17.99	\$0.909	38%
	Irish Whiskey - Ireland	Jameson	1.75 liter	\$46.89	\$26.7943	Kirkland Signature	1.75 liter	\$29.49	\$16.8514	59%
	Synthetic Motor Oil - 0W20	Mobile 1	6-1 quart	\$41.99	\$6.9983	Kirkland Signature	2-5 quart	\$38.99	\$3.8990	79%
	London Dry Gin	Tanqueray	1.75 liter	\$32.39	\$18.5086	Kirkland Signature	1.75 liter	\$16.99	\$9.7086	91%
BJ's	Vodka	Absolut	1.75 liter	\$25.99	\$14.8514	Wellsley Farms	1.75 liter	\$18.99	\$10.8514	37%
	Disinfecting Wipes	Clorox	5-85 ct	\$18.99	\$0.0447	Berkley & Jensen	4-85 ct	\$11.49	\$0.0338	32%
	Nutri Grain Bars	Kellogg's	48-1.3 oz	\$12.99	\$0.2082	Wellsley Farms	48-1.3 oz	\$10.99	\$0.1761	18%
	Child Nutrition Drink	Pediasure	24-8 oz	\$39.49	\$0.2057	Wellsley Farms	24-8 oz	\$31.49	\$0.1640	25%
	Hair Regrowth Treatment	Rogaine	2-16 oz	\$89.99	\$2.8122	Berkley & Jensen	6-2 oz	\$18.49	\$1.5408	83%
	No Calorie Sweetener	Splenda	1000 ct	\$20.99	\$0.0210	Wellsley Farms	1200 ct	\$18.99	\$0.0158	33%
	Pencil - #2 - Sharpened	Ticonderoga	72 ct	\$10.99	\$0.1526	Berkley & Jensen	96 ct	\$8.99	\$0.0936	63%
	Acetaminophen - Extra - 500 mg	Tylenol	325 ct	\$18.99	\$0.0584	Berkley & Jensen	500 ct	\$5.99	\$0.0120	388%
	Napkins - 3 ply	Vanity Fair	240 ct	\$11.99	\$0.0500	Berkley & Jensen	200 ct	\$7.99	\$0.0400	25%
	Coconut Water	Vita Coco	18-330 ml	\$20.99	\$0.0035	Wellsley Farms	12-500 ml	\$17.99	\$0.0030	18%
Sam's Club	Vanilla Ice Cream	Blue Bell	48 oz	\$3.98	\$0.0829	Member's Mark	160 oz	\$7.28	\$0.0455	82%
	Loratadine - 10 mg	Claritin	115 ct	\$39.48	\$0.3433	Member's Mark	2-200 ct	\$12.23	\$0.0306	1023%
	Chicken Broth	College Inn	6-32 oz	\$10.48	\$0.0546	Member's Mark	6-32 oz	\$8.48	\$0.0442	24%
	Trash Bags - 13-g - Stretch, Scented	Clad	150 ct	\$20.98	\$0.1399	Member's Mark	200 ct	\$17.98	\$0.0899	56%
	Facial Tissue - Three Ply	Kleenex	12-72 ct	\$16.93	\$0.0196	Member's Mark	12-80 ct	\$13.98	\$0.0146	35%
	Cream Cheese	Philadelphia	4-8 oz	\$7.68	\$0.2400	Member's Mark	48 oz	\$8.56	\$0.1783	35%
	Omeprazole - 20 mg	Prilosec	42 ct	\$22.98	\$0.5471	Member's Mark	42 ct	\$9.98	\$0.2376	130%
	Potato Chips - Ridges, Wavy	Ruffles	16.625	\$4.48	\$0.2695	Member's Mark	16 oz	\$3.28	\$0.2050	31%
	Orange Juice	Tropicana	2-52 oz	\$7.33	\$0.0705	Member's Mark	2-52 oz	\$5.78	\$0.0556	27%
	Cetirizine - 10 mg	Zyrtec	120 ct	\$42.98	\$0.3582	Member's Mark	2-200 ct	\$15.98	\$0.0400	797%

WCF Research - February, 2024

For example, BJ's stocked a 1,200-count box of Wellsley Farms no calorie sweetener for \$18.99 or 1.56-cents per packet and a 1,000-count box of Splenda for \$20.99 or 2.10-cents per packet. The Wellsley Farms item offered a savings of 33%.

Nine Kirkland Signature items at Costco offered a savings of 20% or more with the exception being solid white albacore tuna (6% savings). Eight Berkley & Jensen and Wellsley Farms items at BJ's offered a savings of 20% or more with the exceptions being nutri grain bars (18% savings) and coconut water (18% savings). All ten Member's Mark items at Sam's Club offered a savings of 20% or more.

Quality – Club private label product quality should meet the standards of the competing national brand while offering a savings. In most cases, the quality standard of a club private label item will exceed the national brand while offering a savings. In a few cases, the quality standard of a club private label item is so much higher than the competing national brand that the in-house product can be more expensive.

Development – Generally, club buyers will develop a private label product based on the potential unit or dollar volume. The higher possibility of volume, the increased likelihood of development. Additionally, private label products can be developed to compete with nationally branded items that have become too expensive and can be developed for a category that does not have a strong national brand like spring seasonal merchandise.

Leverage – Private label products provide leverage for club buyers in two ways. First, since one manufacturer is generally chosen to produce a private label item, a club buyer can negotiate the lowest cost. Second, private label items provide the clubs with leverage when negotiating an item or program with a competing branded supplier.

Data Overview

The two charts in this section provide an objective overview of the private label programs at BJ's, Costco and Sam's Club. Please note, some apparel, bed sheet and bath towel SKUs will have different colors or sizes within the same product type. Each product type, regardless of the number of color and/or size variations, is counted as one SKU. For example, *WCF* only counts the washcloth SKU at each club once, despite their being multiple colors of that product.

SKU Recap – The chart on the right shows private label SKUs by department from 2014 for a historical perspective as well as 2020, 2021, 2022 and 2023.

The chart includes the total number of SKUs at each club, the total number and percentage of private label items, the number of "active" private label brands at each club and the number of private label products in each category.

BJ's – While the overall number of SKUs at BJ's has decreased from 6,737 items in 2014 to 5,418 products in 2023, the number of private label items has gradually increased from 629 items in 2014 (9% of BJ's assortment) to 841 products in 2023 (16% of BJ's selection).

	Private Label	Total SKUs	Private Label SKUs	Brands	Apparel	Alcohol	Auto	Candy, Snacks	Dry Grocery	Perishables	Seasonal	Bed, Bath	Hard Goods	HBA, Baby	Pet	Sundries
BJ's																
2014	6,737	629	9%	11	21	0	0	39	79	242	36	13	29	101	16	53
2020	5,769	817	14%	2	16	8	0	54	105	323	33	17	54	116	19	72
2021	5,810	765	13%	2	12	2	0	47	105	351	36	17	32	89	13	61
2022	5,550	831	15%	2	12	1	0	49	114	348	53	24	40	103	12	75
2023	5,418	841	16%	2	8	7	0	49	115	392	52	21	30	92	9	66
Costco																
2014	3,821	574	15%	3	22	21	41	39	82	190	29	5	14	89	11	31
2020	3,567	565	16%	3	8	15	32	36	90	198	40	4	18	82	13	29
2021	3,643	601	16%	3	6	32	34	32	97	213	37	3	13	89	17	28
2022	3,620	573	16%	3	9	33	34	32	101	185	33	2	17	85	14	28
2023	3,241	599	18%	3	11	32	39	33	89	210	37	2	20	83	15	28
Sam's Club																
2014	4,966	536	11%	12	5	0	9	11	43	177	32	10	76	93	3	77
2020	4,935	925	19%	4	14	10	8	30	128	311	45	17	125	111	13	113
2021	4,633	845	18%	4	22	9	7	28	122	271	33	24	107	97	15	110
2022	4,648	766	16%	4	36	13	7	30	102	242	33	26	94	87	12	84
2023	4,568	869	19%	4	26	17	5	38	124	305	46	28	99	79	14	88

The private label increase is primarily due to BJ's growth of food items as alcohol, candy, snacks, dry grocery and perishables increased from 360 SKUs in 2014 to 563 items in 2023. Please note, in 2014, BJ's stocked several private label food brand names in addition to Wellsley Farms.

Costco – In addition to Kirkland Signature, Costco also stocked items under a Costco Wholesale Company (CWC) control label and Trunature health supplements. The 599 item private label selection at Costco is the smallest among the three clubs. Costco's private label assortment represented 18% of its overall number of SKUs up from 16% in 2020, 2021 and 2022.

Sam's Club – The private label brands at Sam's Club included Member's Mark, Member's Mark Commercial, Member's Mark Food Service and Prime (automotive items). Sam's selection of private label hard goods at 99 items is significantly larger than BJ's (30 products) and Costco (20 SKUs). Sam's stocked the most private label products among the three clubs with 869 items in 2023. Sam's private label percentage at 19% was, also, the highest among the three clubs.

Sales – The chart on the next page provides estimated sales for an average private label and branded SKU at each club. The sales data is from the 2022 calendar year and represents worldwide locations but does not include club ancillary businesses (like gasoline and food court). The location count is through December 31, 2022. The data in the charts is based on each company's private label sales penetration.

BJ's private label sales penetration figure of 25.0%, or \$3.88 billion in total sales, is based on specific comments from their respective quarterly conference calls. Sam's private label sales penetration figure of 25.2%, or \$23.74 billion, is based in part on *WCF* research and general comments from the company's quarterly conference calls.

In its 2022 Sustainability Commitment report, Costco stated that fiscal 2022 private label sales exceeded \$75 billion. That figure included Kirkland Signature gasoline sales.

In its 2022 10K, Costco reported that gasoline sales represented 14% of total fiscal year sales which is approximately \$30 billion. Therefore, private label non-ancillary merchandise sales exceeded \$45 billion.

Based on Costco's quarterly conference calls, *WCF* estimated Costco's private label business represented 25.9% of non-ancillary merchandise sales or approximately \$47.16 billion.

	Private Label Sales	BJ's	Costco	Sam's
Total	SKU	5,418	3,241	4,568
	Locations	235	847	848
	Yearly Product Sales less Ancillary (mil)	\$15,531	\$182,086	\$94,201
	Yearly Sales per SKU	\$2,866,556	\$56,182,043	\$20,621,935
	Yearly Sales per SKU per Location	\$12,198	\$66,331	\$24,318
Weekly Sales per SKU per Location		\$235	\$1,276	\$468
National Brand	SKU	4,577	2,642	3,699
	Percent of Sales	75.0%	74.1%	74.8%
	Yearly Sales (million)	\$11,648	\$134,926	\$70,462
	Yearly Sales per SKU	\$2,544,953	\$51,069,540	\$19,049,026
	Yearly Sales per SKU per Location	\$10,830	\$60,295	\$22,463
Weekly Sales per SKU per Location		\$208	\$1,160	\$432
Private Label	SKU	841	599	869
	Percent of Sales	25.0%	25.9%	25.2%
	Yearly Sales (million)	\$3,883	\$47,160	\$23,739
	Yearly Sales per SKU	\$4,616,825	\$78,731,676	\$27,317,206
	Yearly Sales per SKU per Location	\$19,646	\$92,954	\$32,214
Weekly Sales per SKU per Location		\$378	\$1,788	\$619

A branded item at BJ's generated \$208 per week per club compared to a private label item which generated \$378 per week per club. A branded item at Costco generated \$1,160 per week per club compared to a private label item which generated \$1,788 per week per club. A branded item at Sam's Club generated \$432 per week per club compared to a private label item which generated \$619 per week per club.

Competing Against a Private Label SKU

Suppliers whose product faces competition from a private label item may experience reduced distribution or deletion. Costco, due to their smaller assortment, are more likely than BJ's or Sam's Club to delete a competing branded product. However, no matter the club, there are strategies club vendors can employ to compete with a private label SKU for shelf space.

Value, Volume, Margins – Just like branded items, club buyers evaluate private label SKUs based on value, volume and merchandise gross margins. Private label items have been and will continue to be deleted if certain thresholds are not met or if a branded item, even on a regional basis, can be shown to exceed the private label product.

Product Cost – The branded supplier could aggressively lower the club's cost so that its product offers an equal or better value compared to the private label SKU.

Features – The branded supplier could include features (at no additional cost) that, in conjunction with the product itself, provide a better value compared to the private label item.

Quality – The branded supplier could improve an item's quality without increasing the cost creating a better value compared to the private label SKU.

Marketing Funds – The branded supplier could increase the number of product demonstration, coupons or end cap commitments.

Organic

The clubs stock private label organic items for four reasons: the perception of product quality in the brand is reinforced, higher price points are achieved, the savings differential compared to non-club organic items is larger than normal and organic items add to the club treasure hunt philosophy.

The chart on the next page shows the number of private label organic items by category at each club from 2014 for a historical perspective and 2020, 2021, 2022 and 2023. BJ's continues to stock the most organic private label items among the three clubs with 62 Wellsley Farms SKUs. Costco's Kirkland Signature organic selection the last three years averaged 53 items. Sam's selection of Member's Mark organic products averaged 17 items over the past four years. The following are some of the organic items stocked by each club.

BJ's – Wellsley Farms – In the snack category, BJ's stocked three organic dried fruit items: a 36-ounce bag of organic dried calimyrna figs for \$10.99, a 20-ounce bag of organic dried mangoes for \$12.99 and a 32-ounce bag of organic raisins for \$9.99. In dry grocery, BJ's stocked: a 44-ounce bottle of organic blue agave for \$5.49, a 32-ounce bag of organic chia seeds for \$9.99, a 64-ounce bag of organic long grain brown rice for \$8.29 and a ten-pound bag of organic sugar for \$9.29.

Organic	BJ's					Costco					Sam's Club				
	Wellsley Farms					Kirkland Signature					Member's Mark				
	2014	2020	2021	2022	2023	2014	2020	2021	2022	2023	2014	2020	2021	2022	2023
Apparel	0	0	0	0	0	1	0	1	0	1	0	0	0	0	0
Bakery	4	0	2	0	0	1	0	0	0	0	0	0	0	0	0
Candy, Snacks	0	5	5	6	6	2	3	2	2	4	0	0	0	0	0
Cooler	12	8	10	9	13	5	6	6	5	4	0	0	2	2	1
Deli	2	3	2	2	2	0	2	1	3	5	0	0	0	0	0
Dry Grocery	25	27	24	25	21	14	28	32	41	31	1	16	17	13	13
Freezer	10	14	11	11	8	1	1	7	2	5	0	0	0	0	3
Fresh Meat	0	0	0	0	0	1	1	1	1	1	0	0	0	0	0
HBA/Baby	0	0	1	0	0	0	0	1	1	1	0	0	0	0	0
Pet	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Produce	8	14	14	10	12	0	0	0	0	0	0	0	0	0	0
Total	61	71	69	63	62	25	41	51	55	52	1	16	19	15	17

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In the cooler, BJ's stocked: an 89-ounce bottle of organic orange juice for \$5.49 and a 64-ounce carton of organic grass fed whole milk for \$5.49. In the freezer, BJ's stocked: a 48-ounce bag of organic blueberries for \$9.99, a 48-ounce bag of organic cherries for \$12.99 and a 48-ounce bag of organic tropical berry blend for \$11.99. In produce, BJ's stocked: a three-pound bag of organic yellow onions for \$3.99 and a 16-ounce container of organic spinach for \$4.29.

Costco – Kirkland Signature – In the deli, Costco stocked: a 28.2-ounce container of organic Greek feta cheese for \$11.99 and a 34-ounce container of organic roasted pine nut hummus for \$5.99. In the freezer, Costco stocked: a 48-ounce bag of organic blueberries for \$8.59, an 80-ounce bag of organic green peas for \$8.99 and an 80-ounce bag of organic mixed vegetables for \$8.99.

In dry grocery, Costco stocked: six 32-ounce containers of organic chicken stock for \$10.79, a 32-ounce bag of organic hemp hearts for \$12.79, two 96-ounce bottles of organic lemonade for \$6.29, six 32-ounce containers of organic oat beverage for \$10.99 and a 24-ounce bag of organic pine nuts for \$33.99. In candy and snacks, Costco stocked: a 24-ounce bag of organic Brazil nuts for \$12.99 and a 40-ounce bag of organic yellow tortilla chips for \$6.79.

Sam's Club – Member's Mark – In dry grocery, Sam's Club stocked: six 32-ounce containers of organic chicken broth for \$14.83, a 56-ounce bottle of organic coconut oil for \$13.88, a 100-count box of organic dark KCup coffee for \$29.98 and an eight-ounce bottle of organic cumin for \$7.64. In the freezer, Sam's Club stocked: a 48-ounce bag of organic blueberries for \$9.48 and four 8-ounce organic acai smoothie bowls for \$11.48.

Co-Branding

One of the strategies the clubs use to increase member acceptance of their private label brand is to co-brand with existing brand-name products. By associating the Berkley & Jensen, Wellsley Farms, Kirkland Signature and Member's Mark names with an existing known consumer brand, members associate the quality of the branded company to the respective club and private label.

BJ's co-brands with two consumer brands: Perdue (fresh chicken) and Pete & Gerry's (eggs). Sam's Club partners with seven consumer brands: Fliplock (kitchen), Glasslock (kitchen), Tritan (kitchen), Westcott (office), Duro (paper bags), Ecolab (janitorial) and Argitoni (cheese).

Costco partners with 14 consumer brands: Jelly Belly (candy), Kettle (chips), Sunsweet (dried fruit), Keurig (coffee), Nature's Path (cereal), Ocean Spray (cranberry juice), Starbucks (coffee), Stratus Foods (oil), Vita Rain (water), Nature's Domain (pet), Chinet (cups), Reynolds (aluminum foil), Stretch-Tite (plastic wrap) and Sartori (cheese).

BJ's Wholesale

In 1999, BJ's introduced its first two private label brands: Berkley & Jensen for consumer members and Executive Choice for business members. In the ensuing years, BJ's continued to add private label brands and had as many as 19 brands in 2008.

Since that time, BJ's reduced its number of private label brands to Berkley & Jensen (apparel, bed and bath, hard goods, health and beauty aids, baby, pet, seasonal and sundries) and Wellsley Farms (alcohol, candy, snacks, dry grocery, perishable and seasonal). The following are some of the unique private label items stocked at BJ's:

Alcohol – BJ's alcohol assortment included: a 1.75-liter bottle of Wellsley Farms vodka for \$18.99, a 750-milliliter bottle of Wellsley Farms California cabernet sauvignon for \$7.99 and a 750-milliliter bottle of Wellsley Farms Italian pinot grigio for \$6.99.

Candy and Snacks – BJ's candy and snack selection included: a 62-ounce bottle of Wellsley Farms animal crackers for \$6.49, a 20-ounce container of Wellsley Farms chocolate covered peanut butter pretzels for \$8.99, a six-pound bag of assorted Wellsley Farms hard candy for \$6.99 and a 318-count container of Wellsley Farms peppermint puffs for \$7.99.

Dry Grocery – BJ's dry grocery assortment included: a 32-ounce bag of Wellsley Farms almond flour for \$10.99, a 32-ounce bag of Wellsley Farms seasoned croutons for \$5.89, a 48-count box of Wellsley Farms hot chocolate KCups for \$19.99, a 25-pound bag of Wellsley Farms jasmine rice for \$25.99 and two 15.75-ounce bottles of Wellsley Farms pizza sauce for \$6.99.

General Merchandise – BJ's general merchandise selection included: a six-piece Berkley & Jensen dining set for \$1,499.99 (see picture on the right), a four-piece Berkley & Jensen modular sectional couch for \$1,999.99, a 42-piece Berkley & Jensen flatware set for \$39.99 and two 64-ounce insulated water bottles from Berkley & Jensen for \$29.98.



BJ's – Berkley & Jensen Dining Set

Freezer – In the freezer, BJ's stocked 11 Wellsley Farms chicken SKUs. Some of those items included: a 56-ounce bag of Buffalo chicken bites for \$15.99, a 56-ounce bag of honey barbeque chicken strips for \$16.99, an 80-ounce bag of chicken nuggets for \$11.99, a 56-ounce bag of popcorn chicken for \$15.99 and a 64-ounce bag of honey barbeque chicken wings for \$19.99.

Deli – In the deli, BJ's stocked: two 18-ounce containers of Wellsley Farms mushroom ravioli for \$9.99 and a 32-ounce container of Wellsley Farms chicken salad for \$11.99.

Costco Wholesale

In 1995, Costco introduced its Kirkland Signature private label brand. Since that time, Costco's focus on Kirkland Signature as its primary private label brand has remained consistent (although it currently stocks six TruNature private label supplements and several CWC unbranded kitchen and imported seasonal SKUs). The following are some of the unique private label items it stocked:

Scotch Whiskey – Costco is the largest wine retailer in the United States and may be the country’s largest alcohol spirits retailer as well. On a worldwide basis, Costco is the largest retailer of The Macallan scotch whisky, Johnnie Walker Blue scotch whisky and Dom Perignon champagne.

Costco is the largest retailer of scotch whisky in North America. Depending on availability, Costco can stock five Kirkland Signature private label scotch whisky SKUs: a three year old blended, a 12 year old blended, a 19 year old blended, a 20 year old Speyside and a Islay single malt (no age statement listed).

Costco’s Kirkland Signature scotch whisky is sourced by Alexander Murray, an independent bottling company based in California. Alexander Murray does not disclose where it sources the whisky for Costco and the product may come from different distilleries each year. The problem is that Costco’s volume is so large, no single distillery has enough inventory to bottle a sufficient supply for the club operator.

Sundries – Costco’s sundry selection included: a 90-ounce bottle of Kirkland Signature plant based dish soap for \$7.99 and a 194-ounce bottle of Kirkland Signature plant based laundry detergent that produces 146 loads for \$15.69.

Candy – Costco’s candy selection included three assorted candy bags that Costco packed. Those items included: a 90-ounce bag of Kirkland Signature assorted fun size chocolate bars (Snickers, Kit Kat, M&M plain, Almond Joy, Milky Way, Reese’s, M&M peanut, Twix, York peppermint patties and 100 Grand) for \$18.49, a 92-ounce bag of Kirkland Signature assorted funhouse treats (Skittles, Starburst, Mike & Ike, hot tamales, Life Saver gummies, Twizzlers, Sour Path kids, Wonka nerds, Haribo gold bears, Swedish fish and Wonka gobstoppers) for \$13.99 and an 80-ounce bag of assorted hard candy (butterscotch, key lime, cinnamon starlight mints, peppermint starlight mints, peppermint puffs, strawberry bon bons and butter n’cream) for \$8.99.

Dry Grocery – Costco’s dry grocery assortment included: a case of twelve 32-ounce containers of Kirkland Signature almond beverage for \$11.99, a 48-ounce bag of Kirkland Signature almond flour for \$11.79, a case of twelve 11-ounce cans of Kirkland Signature cold brew coffee for \$15.99 and a case of twenty-four 17-ounce bottles of Kirkland Signature sparkling water (eight each of raspberry, orange mango and kiwi strawberry) for \$11.89 (see picture on the right).



Costco—Kirkland Signature Sparkling Water

Sam’s Club

Sam’s Club introduced its Member’s Mark private label brand in 1998. By 2016, the company had 11 private label brands. However, it reduced that assortment, primarily, to Member’s Mark. Over the past two years, Sam’s has launched and reformulated more than 1,200 Member’s Mark products. A growing percentage of members have cited the private label brand as the reason they renew their membership.

In April, 2022, Sam’s Club announced that it updated/redesigned its Member’s Mark private label brand to focus on four features: value, quality, on-trend and sustainability. This change and announcement focused on sustainability and will be Sam’s point of differentiation, going forward, for its private label brand. Sam’s new Member’s Mark slogan will be: “Made with our member and planet in mind.”

Cleaner Ingredients – Sam’s will strive to remove certain ingredients from Member’s Mark food and consumables. Some of those ingredients include: artificial flavors (by 2028), aspartame, high fructose corn syrup, saccharin, talc, brominated vegetable oil, formaldehyde and sucrose polyester.

Sustainability – Member’s Mark items will be made using a higher percentage of sustainable practices such as: promoting animal welfare, supporting land and ocean health, mitigating deforestation, utilizing sustainable textiles and using more renewable resources.

Sustainable Goals – Some of Sam’s specific Member’s Mark goals include: antibiotic free poultry, sustainably sourced seafood, dairy and cage free eggs, all coffee, tea and cocoa be Fair Trade Certified (by 2025), all palm oil be responsibly sourced (by 2025), all timber used be recycled or Forest Stewardship Council (FSC) certified (by 2025), all paper and pulp be 100% recycled or FSC certified (by 2028) and all packaging will use recyclable, reusable or compostable material (by 2025).

The following are some of the unique private label items Sam’s Club stocked:

Deli – Sam’s deli selection included: a 48-ounce package of Member’s Mark baby back pork ribs for \$13.98, a 24-ounce container of Member’s Mark bacon cheddar ranch dip for \$6.98, a 28-ounce container of Member’s Mark buffalo chicken dip for \$8.98, a 32-ounce container of Member’s Mark meatloaf with bacon jam for \$15.98, a 32-ounce container of Member’s Mark pork carnitas for \$13.98 and a 40-ounce container of Member’s Mark sweet Thai chili chicken for \$15.98.

Freezer – Sam’s frozen assortment included: a 48-count box of Member’s Mark parmesan crusted franks in a blanket for \$12.98, a 56-ounce bag of Member’s Mark boneless buffalo chicken bites for \$15.18, six 9-ounce packages of Member’s Mark chicken fried rice for \$11.98 and a 48-ounce box of Member’s Mark orange chicken for \$12.48.

Snacks – In the snack category, Sam’s Club stocked: an 80-ounce container of Member’s Mark animal crackers for \$8.82, a 22-ounce container of Member’s Mark everything seasoned cashews for \$11.28 and a 32-ounce container of Member’s Mark praline pecans for \$11.98.

General Merchandise – Some of the non-food private label items included: a Member’s Mark two-tier kitchen basket for \$24.98, a 24-piece Member’s Mark dinnerware set for \$69.98, a 65-piece Member’s Mark flatware set for \$99.98 and a Member’s Mark leather recliner for \$479.00.

PriceSmart

PriceSmart introduced its Member’s Selection private label brand in 2005/2006. PriceSmart’s private label sales through its first quarter of fiscal 2023 represent approximately 25.9% of merchandise sales compared to 23.6% last year

Pricing Analysis

PL Comparison	Sam's Club				Costco				DIFF	BJ's Wholesale				DIFF
	Brand	Pack	Retail	Unit Retail	Brand	Pack	Retail	Unit Retail		Brand	Pack	Retail	Unit Retail	
13-g Drawstring, Flex Trash Bags	Member's Mark	1 200 ct	\$17.98	\$0.0899	Kirkland Signature	1 200 ct	\$17.99	\$0.0900	100	Berkley & Jensen	1 200 ct	\$19.99	\$0.1000	111
AAA Batteries	Member's Mark	1 48 ct	\$21.48	\$0.4475	Kirkland Signature	1 48 ct	\$16.49	\$0.3435	77	Berkley & Jensen	1 48 ct	\$21.99	\$0.4581	102
Aleve	Member's Mark	1 400 ct	\$12.98	\$0.0325	Kirkland Signature	1 400 ct	\$12.99	\$0.0325	100	Berkley & Jensen	1 400 ct	\$13.99	\$0.0350	108
Chocolate Covered Almonds	Member's Mark	1 48 oz	\$13.68	\$0.2850	Kirkland Signature	1 48 oz	\$14.49	\$0.3019	106	Wellsley Farms	1 45 oz	\$14.99	\$0.3331	117
Colombian Whole Bean Coffee	Member's Mark	1 40 oz	\$15.98	\$0.3995	Kirkland Signature	1 48 oz	\$19.99	\$0.4165	104	Wellsley Farms	1 40 oz	\$14.99	\$0.3748	94
Crushed Red Pepper Spice	Member's Mark	1 13.5 oz	\$5.88	\$0.4356	Kirkland Signature	1 10 oz	\$3.99	\$0.3990	92	Wellsley Farms	1 14 oz	\$5.59	\$0.4141	95
Facial Tissue - 3 ply	Member's Mark	12 80 ct	\$13.98	\$0.0146	Kirkland Signature	12 84 ct	\$15.99	\$0.0159	109	Berkley & Jensen	12 65 ct	\$14.49	\$0.0186	128
Frozen Atlantic Salmon	Member's Mark	1 40 oz	\$24.98	\$0.6245	Kirkland Signature	1 48 oz	\$32.99	\$0.6873	110	Wellsley Farms	1 32 oz	\$19.99	\$0.6247	100
Frozen Raw 31-40 ct Shrimp	Member's Mark	1 48 oz	\$18.98	\$0.3954	Kirkland Signature	1 32 oz	\$13.99	\$0.4372	111	Wellsley Farms	1 32 oz	\$14.49	\$0.4528	115
Lamb & Rice Dog Food	Member's Mark	1 35 lb	\$43.68	\$1.2480	Kirkland Signature	1 40 lb	\$36.59	\$0.9148	73	Berkley & Jensen	1 30 lb	\$35.79	\$1.1930	96
Organic Maple Syrup	Member's Mark	1 32 oz	\$12.68	\$0.3963	Kirkland Signature	1 33.8 oz	\$12.99	\$0.3843	97	Wellsley Farms	1 32 oz	\$12.79	\$0.3997	101
Pink Salt	Member's Mark	1 38 oz	\$7.48	\$0.1968	Kirkland Signature	1 80 oz	\$7.99	\$0.0999	51	Wellsley Farms	1 80 oz	\$7.49	\$0.0936	48
Raw Frozen Chicken Wings	Member's Mark	1 10 lb	\$24.98	\$2.4980	Kirkland Signature	1 10 lb	\$25.99	\$2.5990	104	Wellsley Farms	1 10 lb	\$22.99	\$2.2990	92
Salted Butter Quarters	Member's Mark	4 1 lb	\$13.68	\$3.4200	Kirkland Signature	4 1 lb	\$13.99	\$3.4975	102	Wellsley Farms	4 1 lb	\$14.79	\$3.6975	108
Unsalted Cashews	Member's Mark	1 33 oz	\$12.98	\$0.3933	Kirkland Signature	1 40 oz	\$13.99	\$0.3498	89	Wellsley Farms	1 40 oz	\$17.99	\$0.4498	114

WCP Research - February, 2023

This section compares the pricing of a private label product stocked by all three club operators. Fifteen private label items stocked by each of the three clubs were selected for this analysis (see chart above). The per-unit retail price was determined for each item.

Sam’s per-unit retail price was used as the base for the comparison. The per-unit retail price for BJ’s and Costco was compared to Sam’s per-unit retail price and the percentage higher or lower was calculated. That figure, which was multiplied by 100, appears in the differential (DIFF) column. A number above 100 indicates that club’s per-unit retail price is higher compared to Sam’s and a number below 100 indicates that club’s per-unit retail price is lower than Sam’s.

For example, all three clubs stocked organic maple syrup. Sam’s stocked a Member’s Mark 32-ounce bottle for \$12.68 or 39.6-cents per ounce. Costco stocked a Kirkland Signature 33.8-ounce bottle for \$12.99 or 38.4-cents per ounce (3% lower than Sam’s Club) and BJ’s stocked a Wellsley Farms 32-ounce bottle for \$12.79 or 40.0-cents per ounce (1% higher than Sam’s Club).