

# WCF 's 24 Annual Issues are Cumulative

Each Stand Alone Issue is Piece of the Entire Channel.

WAREHOUSE CLUB FOCUS (WCF)

## Annual Category Reviews

Product, Packaging, Merchandising Analysis

**8 Issues per Year—WCF Original Content**

Dry Grocery, Candy  
Deli, Bakery, Meat  
Freezer, Cooler  
Organic

HBA, Softline, Office  
Auto, Majors, Sundries  
Spring, Summer Season  
Fall, Winter Season

Reviewing Categories Outside Your Focus can Spark  
Innovation Within

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Calendar Sales Review  
Location Review  
Expansion Projections  
Industry Survey

Private Label Analysis  
Fiscal Year Data  
Web Site Update  
Item Basket Analysis

Information in these Issues Provide a Broad Annual  
Update of BJ's, Costco, PriceSmart and Sam's Club

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International Divisions  
Product Quality  
Club Brokers

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Road Shows  
Packaging  
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Although it Requires Some Time and Effort to Consume,  
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A 300+ Page Extensive Guide, Training Tool

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Industry Overview  
Club Programs, Products  
Understand Buyers  
Detailed Operator Profile

Product Development  
Marketing Money  
Packaging  
Operator History

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Industry History  
Industry Overview  
Club Products  
Club Operations

Club Buying Strategies  
Packaging  
Merchandising  
Operator Profile

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10 Downloadable Excel Files with Detailed History

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Calendar Sales  
Category Sales, SKUs  
Fiscal Year Data  
Private Label  
Private Label Item List

Club Locations  
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Item Basket Results  
Category Analysis Data  
Coupons

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**WAREHOUSE CLUB FOCUS** March 29, 2024  
Volume 28, Issue 6/27  
• 48th Issue  
• 87+ New Locations  
• 10+ New Products

1 For 29 years, your best source for information about the clubs.

**WCF Visits BJ's, Costco and Sam's Club in Connecticut and New York**

WCF reporters travel around the world to search for 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 offerings and packaging at the warehouse club level. Our reporters also provide manufacturers with ideas and strategies they can use to improve their business with the warehouse club regularly, nationally and internationally.

In March, 2024, WCF visited BJ's, Costco and Sam's Club locations in Connecticut and New York. See pictures on the right from BJ's of a package of five 15-ounce bottles of Not Mayo plant based dressing and spread from Ralica for \$9.99.

These clubs included BJ's in White Plains, New York (a 65,000 square foot building opened in a former Sears in 2022) and Fairfield, Connecticut (a 12,000 square foot location opened in 1981), Costco in West Chester, New York (a 140,000 total square foot store opened in 2022) and New Britain, Connecticut (a 154,000 square foot location opened in 2015) and a Sam's Club in Westport, New York (a 114,000 square foot building opened in 1984) and Newington, Connecticut (a 127,000 square foot location opened in 2009). The following are observations from these locations:

**Pet** - BJ's and Sam's Club stocked several unique pet products. BJ's stocked a 10-ounce bag of fish skin dog chews from Dura Bark for \$19.99, a 32-ounce bag of sweet potato chicken dog treats from Delectables for \$16.99, a 36-ounce bag of chicken jerky dog treats from Fall Moon for \$12.99, a 35-ounce bag of natural dog treats, apple, cranberry and blueberry dog chews from 100% Real Pet for \$19.99, a 20-ounce box of long lasting rose bone dog chews (11 each) of chicken vegetable and beef blend from Market Bells for \$19.99, a 100-ounce bag of salmon dog sticks from Kneadables for \$14.99 (see picture on the left), a 10-ounce pack of chicken-walrus dog chews from Kneadables for \$15.99, a 120-ounce case of 1.32-ounce packs of wet cat food in gravy (48 chicken and 24 wash of salmon, tuna and turkey) from Stella for \$23.99, a 36-ounce bag of chicken jerky dog treat bundles from Waggin' Tails for \$24.99, a 36-ounce bag of smoked chicken jerky dog treat bundles from Waggin' Tails for \$23.99 and a 17.5-ounce bag of high protein dog meal waffles with pork, bacon and banana from Waggin' Tails for \$20.99.

**Meat** - Costco stocked a 24-ounce bag of pepperoni pizza dog food from Savanese, beef muscle separate and ground chicken for \$7.47 and a 17.5-ounce bag of buffalo dried beef for dog and cat treats from Ubbi for \$12.99.

**Electronics** - BJ's television assortment included three introductory priced items from Westhouse, a 24-inch smart television with Roku for \$29.99, a 32-inch smart television with Roku for \$49.99 and a 43-inch smart television with Roku for \$79.99. BJ's electronics assortment also included two multi-ten items from Pioneer, an Energizer lithium-ion wireless charging station for \$29.99 and an extendable wireless phone mount with a clip for \$24.99. The second pallet included two 50-Use from Smartopart an alarm clock and light with a phone charger for \$23.99 and a 3-in-1 alarm clock with a phone charger for \$29.99.

**Web Site**  
Do You Have Access?

If your company doesn't have web site access, take 7 minutes to watch an overview.  
Go to [www.clubintelligencecenter.com](http://www.clubintelligencecenter.com)

### President and CEO History

Club	President and CEO	Years
BJ's	Mervyn Welch	1984 - 1986
	John Levy	1987 - 1988
	James Halpin	1989 - 1990
	Herbert Zarkin	1991 - 1992
Costco	Jim Sinegal	1983 - 2011
	Craig Jelinek	2012 - 2023
	Ron Vachris	2024 -
	PriceSmart	1997 - 2003
Sam's Club	Ron Lovelace	1983 - 1988
	Al Johnson	1989 - 1992
	Dean Sanders	1993 - 1995
	Joe Hardin Jr.	1996 - 1996
	Mark Hansen	1997 - 1998
	Thomas Grimm	1998 - 2002
Costco Wholesale	Jose Luis Laporte	2010 - 2018
	Sherry Bahrambeygi	2018 - 2022
	Robert Price	2022 -
	Jim Rose	1980 - 1998
	Jeffrey Mader	1999 - 2006
	Rox Wilhelm	2007 - 2020
	Thomas Kallio	2009 - 2014
	Kevin Proctor	2021 -
PriceSmart	Herbert Zarkin	2006 - 2008
	Laura Sen	2009 - 2014
	Chris Baldwin	2015 - 2019
	Lee Delaney	2020 - 2021
Sam's Club	Brian Cornell	2005 - 2011
	Rosalind Brewer	2012 - 2016
	John Furrer	2017 - 2018
Costco Wholesale	Kevin Proctor	2021 -
	Chris Nicholas	2024 -

## 2024 Warehouse Club Industry Guide

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## UNCONDITIONAL MONEY BACK GUARANTEE

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# Coupons

Club coupon programs hold a unique place in the club industry. The core philosophy of each warehouse club operator is to sell products at the lowest possible retail price in the marketplace while maintaining merchandise gross margin goals. To achieve this, club buyers negotiate the lowest net cost from suppliers with all product discounts factored into the cost of goods.

However, over the years, coupons have become key part of a club program. This has forced club buyers to figure out how to balance the goal of negotiating a product's lowest cost while also extracting marketing funds from suppliers to use in coupon books. Despite this dichotomy, club coupon programs have evolved with each club following their own unique strategy.

This chapter provides an overview of club coupon programs. The first section provides coupon data. The second section reviews how club coupon programs conflict with the core club philosophy. The next three sections provide a history of each club's coupon strategy.

## Coupon Data Overview

Data from three coupon mailers for BJ's and Costco in this chapter. The top section provides the beginning month of the program, the number of coupon pages, the total number of coupons, the total coupon savings, the average coupon amount, the number of no clip or instantly redeemable coupons (IRC), the number of your cost items for Costco (these coupons only list a retail price and don't provide the discount amount) and the types of coupons offered (dollar discount, buy-one-get-one-free or get another product free).

The bottom section provides coupon totals and savings detail for six warehouse club departments (dry grocery and candy, perishable, household items, computers and electronics, hard goods and member services) and the sub-categories that comprise those departments.

## Coupon Conflict

Negotiating for coupon funds and negotiating for the lowest net cost are conflicting concepts. Despite the added value provided to members, layering club coupon programs on top of that core philosophy creates two questions. First, are coupons negatively affecting a member's perception of the value offered by the club operators? Second, how do buyers and suppliers balance the need to negotiate the lowest cost and generate coupon funding?

**Member Perception** – In past club industry surveys, respondents commented on whether coupons affect member perception of the value offered by the clubs.

A food supplier said, "I believe that the MVM program at Costco has certainly affected the value perception of the Costco member. They now expect items to be on sale. This is a conversation that Costco has been having for a very long time as well as a conversation in the vendor community."

		BJ's				April, 2024				March, 2024				March, 2024			
		Mailer								Mailer							
		Effort								Effort							
		Coupon Pages								Coupon Pages							
		Coupons								Coupons							
		Total Savings								Total Savings							
		Average Item								Average Item							
		No Clip Coupons								No Clip Coupons							
		\$ Off Coupons								\$ Off Coupons							
		Buy One, Get One								Buy One, Get One							
		Buy A, Get B								Buy A, Get B							
Department	Column Headings	Coupons		Pct.		Total \$		Avg \$		Coupons		Pct.		Total \$		Avg \$	
		Coupons	Pct.	Total \$	Pct.	Avg \$	Coupons	Pct.	Total \$	Pct.	Avg \$	Coupons	Pct.	Total \$	Pct.	Avg \$	
	Dry Grocery, Candy	121	29%	\$282	2%	\$2	114	25%	\$280	2%	\$2	67	19%	\$176	1%	\$3	
	Perishable	65	16%	\$144	1%	\$2	52	12%	\$131	1%	\$3	44	13%	\$92	1%	\$2	
	Household Items	132	32%	\$4,278	34%	\$32	176	39%	\$5,038	47%	\$34	169	48%	\$5,562	46%	\$33	
	Computers, Electronics	33	8%	\$5,261	42%	\$160	33	7%	\$2,289	18%	\$69	29	8%	\$2,897	24%	\$100	
	Hard Goods	61	15%	\$2,568	20%	\$42	75	17%	\$4,049	32%	\$54	42	12%	\$3,431	28%	\$82	
	Member Service	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	
	Candy	10	2%	\$27	0%	\$3	29	6%	\$64	1%	\$2	8	2%	\$17	0%	\$2	
	Dry Grocery	111	27%	\$265	2%	\$2	85	19%	\$216	2%	\$3	59	17%	\$159	1%	\$3	
	Perishable	65	16%	\$144	1%	\$2	52	12%	\$131	1%	\$3	44	13%	\$92	1%	\$2	
	Member Service	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	
	Apparel	3	1%	\$6	0%	\$2	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	
	Automotive, Tires	2	0%	\$130	1%	\$65	7	2%	\$149	1%	\$21	5	1%	\$180	1%	\$36	
	Bed, Bath	6	1%	\$427	3%	\$71	10	2%	\$242	2%	\$24	3	1%	\$15	0%	\$5	
	Camera, Camcorder	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	
	Computers, Software	3	1%	\$580	5%	\$193	6	1%	\$705	6%	\$118	6	2%	\$755	6%	\$128	
	Electronics, TV	24	6%	\$4,675	37%	\$195	21	5%	\$1,549	12%	\$74	19	5%	\$2,110	17%	\$111	
	Hardware	4	1%	\$185	1%	\$46	2	0%	\$300	2%	\$150	4	1%	\$295	2%	\$74	
	HBA, Baby	61	15%	\$248	2%	\$4	67	15%	\$310	2%	\$5	62	18%	\$240	2%	\$4	
	Home Furnishings	12	3%	\$3,250	26%	\$271	16	4%	\$4,770	38%	\$298	14	4%	\$4,780	39%	\$341	
	Jewelry, Accessories	0	0%	\$0	0%	\$0	1	0%	\$3	0%	\$3	0	0%	\$0	0%	\$0	
	Kitchen Appliances	11	3%	\$208	2%	\$19	10	2%	\$216	2%	\$22	9	3%	\$218	2%	\$24	
	Luggage, Housewares	7	2%	\$33	0%	\$5	11	2%	\$42	0%	\$4	4	1%	\$10	0%	\$3	
	Media, Batteries	6	1%	\$26	0%	\$4	6	1%	\$35	0%	\$6	4	1%	\$32	0%	\$8	
	Office, Phones	4	1%	\$263	2%	\$66	2	0%	\$12	0%	\$6	10	3%	\$239	2%	\$24	
	Pet	5	1%	\$18	0%	\$4	6	1%	\$17	0%	\$3	6	2%	\$17	0%	\$3	
	Seasonal, Toys	51	12%	\$1,990	16%	\$39	64	14%	\$3,588	28%	\$56	23	7%	\$2,717	22%	\$118	
	Sporting Goods	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	
	Sundries, Vacuums	27	7%	\$88	1%	\$3	55	12%	\$336	3%	\$6	71	20%	\$272	2%	\$4	

A broker observed that some members perceive coupons to be how the club's offer value. He said, "I do believe members have become so accustomed to coupons that they are beginning to perceive that vehicle as the key value deliverable of the channel."

A BJ's buyer/executive believes coupons don't affect a member's perception of club value. He said, "The members appreciate the additional value. The educated shopper understands that the club has to make a profit to survive and does not see the coupon program as a negative, especially when they see that we also accept manufacturer's coupons." A Sam's Club buyer/executive said, "I believe most consumers understand the everyday value provided by the club channel and then enjoy the discounts occasionally offered via the coupon programs."

A food supplier doesn't think the member's value perception of the club channel is changed but he does believe coupons change their buying habits. He said, "We don't believe that coupon books change the perception of the product. All they do is get the member accustomed to purchasing their normal item only when it hits the coupon book ... They are changing their member's buying habits in a negative way."

**Negotiation** – A food vendor said club coupon programs complicate club program negotiation. He said, "It definitely has made meeting with club buyers more complicated. It seems that 35% of our time as a manufacturer are centered around coupon negotiations."

Another food vendor said, "It certainly makes it challenging as they expect the best of both worlds. They still want to get the lowest possible cost on an item, however they also now want to talk about their coupon programs. And it is challenging for vendors because the coupon programs have become a major factor in how Costco really pushes volume."

A broker commented on the contradiction of low prices and coupon funding. He said, "Yes, it has been very difficult to navigate meetings when you are supposed to give your best and lowest cost but also expected to contribute to coupons/MVMs etc. Where does that money come from if we have already given you our best price?" A food supplier said, "Buyers feel the 'pot' of promotional dollars is limitless. Some buyers bring in an item just for coupon and then discontinue when coupon is over."

		Costco				April, 2024				March, 2024				February, 2024			
Overall	Department	Coupons		Total		Coupons		Total		Coupons		Total		Coupons		Total	
		Pct	Dollars	Pct	Dollars	Pct	Dollars	Pct	Dollars	Pct	Dollars	Pct	Dollars	Pct	Dollars		
	Effort	No Coupon - Mailer				No Coupon - Mailer				No Coupon - Mailer							
	Coupon Pages	23				21				19							
	Coupons	200				204				160							
	Total Savings	\$12,984				\$10,398				\$12,415							
	Average Item	\$64.92				\$50.97				\$77.59							
	Your Cost Items	3 Items				2 Items				2 Items							
	IRC (Pages/Coupons)	Entire Book				Entire Book				Entire Book							
	\$ Off Coupons	200		100%		204		100%		160		100%					
	Buy One, Get One	n/a		n/a		n/a		n/a		n/a		n/a					
	Buy A, Get B	n/a		n/a		n/a		n/a		n/a		n/a					
	General Mgmt	Coupons		Total		Coupons		Total		Coupons		Total					
	Dry Grocery, Candy	23	12%	\$159	1%	87	24	12%	\$101	1%	84	24	15%	\$1,015	8%	\$42	
	Perishable	13	7%	\$49	0%	\$4	12	6%	\$49	0%	\$4	12	8%	\$47	0%	\$4	
	Household Items	122	61%	\$6,907	53%	\$57	136	67%	\$3,388	33%	\$25	106	66%	\$7,033	57%	\$66	
	Computers, Electronics	6	3%	\$1,180	9%	\$197	8	4%	\$2,100	20%	\$263	10	6%	\$2,380	19%	\$236	
	Hard Goods	36	18%	\$4,686	36%	\$130	24	12%	\$4,760	46%	\$168	8	5%	\$1,940	16%	\$243	
	Member Service	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	
	Candy	0	0%	\$0	0%	\$0	3	1%	\$11	0%	\$4	2	1%	\$6	0%	\$3	
	Dry Grocery	23	12%	\$159	1%	87	21	10%	\$90	1%	34	22	14%	\$1,009	8%	\$46	
	Perishable	13	7%	\$49	0%	\$4	12	6%	\$49	0%	\$4	12	8%	\$47	0%	\$4	
	Member Service	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	
	Apparel	7	4%	\$24	0%	\$3	8	4%	\$25	0%	\$3	6	4%	\$24	0%	\$4	
	Automotive, Tires	7	4%	\$206	2%	\$29	4	2%	\$165	2%	\$41	2	1%	\$140	1%	\$70	
	Bed, Bath	2	1%	\$250	2%	\$125	1	0%	\$130	1%	\$130	1	1%	\$120	1%	\$120	
	Camera, Camcorder	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	
	Computers, Software	6	3%	\$1,180	9%	\$197	8	4%	\$2,100	20%	\$263	10	6%	\$2,380	19%	\$236	
	Electronics, TV	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	
	Hardware	8	4%	\$330	3%	\$41	7	3%	\$482	5%	\$69	5	3%	\$300	2%	\$60	
	HBA, Baby	76	38%	\$696	5%	\$9	87	43%	\$596	6%	\$7	65	41%	\$405	3%	\$6	
	Home Furnishings	2	1%	\$300	2%	\$150	2	1%	\$350	5%	\$275	3	2%	\$1,900	15%	\$333	
	Jewelry, Accessories	2	1%	\$1,260	10%	\$630	0	0%	\$0	0%	\$0	3	2%	\$240	2%	\$80	
	Kitchen, Appliances	9	5%	\$3,990	31%	\$443	4	2%	\$1,815	17%	\$454	7	4%	\$3,880	31%	\$554	
	Luggage, Housewares	2	1%	\$50	0%	\$25	1	0%	\$30	0%	\$30	1	1%	\$5	0%	\$5	
	Media, Batteries	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	
	Office, Phones	1	1%	\$200	2%	\$200	1	0%	\$30	0%	\$30	0	0%	\$0	0%	\$0	
	Pet	2	1%	\$10	0%	\$5	7	3%	\$105	1%	\$15	1	1%	\$6	0%	\$6	
	Seasonal, Toys	19	10%	\$3,933	30%	\$207	12	6%	\$4,083	39%	\$340	1	1%	\$1,500	12%	\$1,500	
	Sporting Goods	1	1%	\$20	0%	\$20	0	0%	\$0	0%	\$0	0	0%	\$0	0%	\$0	
	Sundries, Vacuums	20	10%	\$328	3%	\$16	26	13%	\$147	1%	\$6	19	12%	\$453	4%	\$24	

However, some vendors/brokers say the coupon/low cost discussion does not complicate buyer meetings. A food vendor said, "I still feel the focal point of all meetings is meeting the member value and getting the best cost on an item. Once they have the best cost negotiated, then they ask for demos, coupons etc." A non-food vendor said it's important for a club buyer to have a consistent strategy. He said, "We believe there can be a healthy mix, yet the customers must be aligned and clearly communicate a consistent approach to the merchandising environment. It makes it very difficult to flow back and forth between a net landed strategy (all in) and the request to also promote the items/brands."

Lastly, a food vendor said that no matter how hard the clubs negotiate, coupon funds are not incremental. He said, "It makes the conversation a little more tense but the reality is that the clubs can't have it both ways. Over time, the manufacturer is going to factor in the cost of promotions/coupons into their cost of goods. Ultimately, it is a fallacy for clubs to believe that those funds are truly incremental."

## BJ's Wholesale

BJ's opened its first location in 1984 in Medford, Massachusetts. Early in its history, BJ's, which was more focused on the consumer member than Costco and Sam's Club, accepted manufacturer coupons to differentiate itself from its club competitors. BJ's continues to accept manufacturer coupons today.

**Big Brand Mailer** – BJ's included coupons in its *BJ's Journal* magazine and created a direct mail coupon booklet which was called the Big Brand Mailer. Until early 2013, BJ's coupon program evolved and included discounts that had to be clipped and presented to a cashier or included what it called "instant rebates" which were automatically deducted at the register. In June, 2013, BJ's changed its terminology of "instant rebates" to "instant savings".

**Little Book of Big Savings** – BJ's introduced a redesigned direct mail coupon book in September, 2014. As opposed the 3.5-inch by 7.25-inch member coupon book format it had been using, this new book was much larger at 5.5-inches by 9-inches. The larger book, called the Little Book of Big Savings, provided BJ's with more space and included full-page coupons/advertisements.

**The Bigger Book of Big Savings** – BJ's changed the appearance and layout of its monthly coupon book in February, 2019. The new book was approximately eight-inches wide by nine-inches high and was called The Bigger Book of Big Savings. On pages without advertising, The Little Book of Big Savings included seven coupons per page. On pages without advertising, this new coupon book format allowed for 15 coupons per page.

**Smart Saver** – In December, 2021, BJ's changed the name of its coupon book to Smart Saver and the number of coupons on a page was reduced to 12 and the size of each coupon was increased.

**Program Comparison** – The average BJ’s coupon amount is typically less than the average coupon amount at Costco and Sam’s Club. While Costco and Sam’s entire coupon programs are instantly redeemable (IRC), approximately 25% to 50% of BJ’s coupons are instantly redeemable.

**High Octane Promotion** – The high-octane promotion is an example of BJ’s new promotional system. BJ’s highlights high octane items in its coupons book with a special symbol. Every time a member purchases a high-octane item, they receive a 10-cent per gallon discount on gasoline the next time they purchase gasoline at BJ’s.

For example, if a member purchases ten high octane items, the next time they purchase gasoline, they will save \$1.00 per gallon. BJ’s promotional system tracks high octane purchases made on different days. The only limiting factor is the gasoline savings are only available during the same calendar month as the high-octane item purchases. Once a gasoline purchase is made, a member’s high-octane savings are reset to zero. When shopping in a club, BJ’s places a high-octane symbol next to participating items.

**Mobile Application** – BJ’s enables members to access its coupons through its mobile application.

**Advertisements** – BJ’s continues to provide full- and half-page advertising opportunities in its coupon book.

## Costco Wholesale

After Costco merged with Price Club in 1993, the combined company faced weaker comparable sales, macro-economic issues and operational problems in combining two large organizations. To increase sales, Costco introduced a coupon program in 1995 called the passport which offered larger than normal savings (15% to 20%) on an assortment of 80 to 90 in-club products. The following is a brief synopsis of Costco’s coupon history:

**1996 to 2008** – Costco’s coupon program evolved to include two coupon books. The programs ran for two to three months each and included both in-club and online items. The first coupon program began in January and was called the wallet and the second coupon program began in June and continued to be called the passport. The coupon books were mailed to members (and handed out at the clubs) prior to the beginning of each program.

In addition, Costco offered a smaller assortment of product coupons during and in-between the wallet and passport programs. In 2008, Costco offered seven of these smaller assortment coupon books or MVMs.

**2009** – Costco changed its coupon strategy and eliminated its passport and wallet programs in favor of its MVM program. Costco found that the sales impact from the wallet and passport programs lessened. Additionally, Costco no longer wanted to announce its promotional plans to its club and non-club competitors two to three months in advance. Costco also incorporated instant redeemable coupons (IRC) or no clip coupons into its MVM program.

**2013** – With its August, 2013 coupon book, Costco eliminated the need for members to “clip and present” coupons. Items were divided into two categories: an instant savings discount and a coupon that requires the book or the Costco smartphone application to be presented to the cashier. The items with coupons/discounts that require the coupon book or Costco app are identified in the coupon book with a blue arrow that says, “book or app required”. Additionally, Costco would no longer hand out coupon books at its clubs and only Costco members would be eligible for the coupon offers.

Eventually, the need to present the coupon book or Costco smartphone application ended and, currently, Costco’s entire coupon book is an IRC and the coupon amounts are automatically deducted.

**Your Cost Items** – In 2017, Costco began incorporating “Your Cost” items into its coupon books. The coupons for these items list the discounted purchase price and do not include the coupon amount.

**Redemption Rates** – Redemption rates for Costco coupons are high and purchase limits are common. Participating vendors have seen sales increase 8-times to 14-times normal velocity during a coupon period. Costco and its vendors plan for those high redemption rates and order an appropriate amount of product prior to an item’s coupon period. As a result, coupon items typically receive a free end cap.

**2020** – The format for Costco’s coupon book changed in February, 2020. Previously, Costco’s coupon book was 10.5-inches wide by 4.5-inches high and was imprinted using the longer wide side. Except for dry grocery and health and beauty aid coupons, items were generally not organized by category or theme. Costco’s new coupon book was five-inches wide by 9.5-inches high and was imprinted using the shorter wide side. Coupon pages in this new format are centered around themes.

**2021** – The format for Costco’s coupon book changed in August, 2021. The book size and orientation changed. The August, 2021 book’s orientation is in portrait and is 4.5-inches wide and 9.5-inches tall.

## Sam's Club

Sam's introduced a coupon program in 2009 called eValues (later changed to instant savings). Initially, the program was only available to Sam's Club premium or plus members. The coupons were customized for each member based on products each person purchased. The entire coupon program at introduction was instantly redeemable. In 2013, Sam's changed its coupon program and now all members are eligible for its instant savings coupon program.

**Layout** – The first half each book includes the actual coupons. The coupon pages are generally organized by category.

**Themes** – The second half of the book are themed pages that do not include coupons but promote products and categories and include advertisements.