

Private Label

Private label programs are an important part of the merchandising strategy at BJ's, Costco 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. BJ's private label program primarily includes two labels: Berkley & Jensen and Wellesley Farms.

Sam's Club's private label primarily includes one brand: Member's Mark. However, it divides that brand into two secondary designations for business members: Member's Mark Foodservice and Member's Mark Commercial (see picture on the right of a Member's Mark Commercial 36-quart mop bucket and wringer for \$39.98).



Sam's – Member's Mark Commercial Mop Bucket

This chapter is divided into nine sections: data accumulation, private label strategies, data overview, competing against a private label SKU, organic items, BJ's program, Costco's program, Sam's program and pricing analysis.

Data Accumulation

The data, pictures and observations in this chapter were gathered at BJ's, Costco and Sam's Club locations in Massachusetts and New Hampshire in March, 2020. Please note, each operator does list some private label items only on their web sites. Those online-only items were not included.

The method to acquire this data was not different than in year's past. However, to avoid potential exposure to coronavirus, multiple clubs were visited over multiple days as we spent less time per visit within each building. Basically, it just took us a little longer to acquire the data. There were some items out-of-stock due to panic buying. Those items were included simply because we know what was missing.

Private Label 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 six strategies:

Merchandise Gross Margin – Private label products typically exceed traditional club merchandise gross margins of 8% to 12%. For example, Costco limits its private label merchandise gross margins to a maximum of 15% and BJ's private label merchandise gross margins likely exceed 15% as the company's overall merchandise gross margins range between 16% and 17%.

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

Quality – At a minimum, club private label product quality will meet the standards of the competing national brand while offering a savings. In most cases, the quality standard of a club private label item exceeds 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 is more expensive.

Competition – Private label items are often developed for a category that does not have a strong national brand. For example, Sam's stocked a 32-ounce package of Member's Mark frozen beer battered cod for \$12.98. (see picture on the right)



Sam's – Member's Mark Beer Battered Cod

Volume – Private label SKUs are generally chosen based on a potential item's unit or dollar volume. The higher the volume, the more likely a private label item is developed.

Leverage – Private label products provide leverage for club buyers in two ways. First, since one manufacturer is 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. Due to the limited number of items stocked by BJ's, Costco and Sam's, private label items potentially threaten whether a competing brand will remain an active SKU.

Data Overview

The two charts in this section provide an objective overview of the private label programs at BJ's, Costco and Sam's. Please note, some apparel items will have different colors or sizes within the same style and some bedding and bath towel products will have different colors. Each product, including those color and size variations, is counted as one SKU.

SKU Recap – The chart on the right shows private label SKUs by department from 2006 for a historical perspective and over the past four calendar years, 2017, 2018, 2019 and 2020. 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.

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																
2006	6,896	900	13%	13	45	0	7	42	106	220	44	24	131	144	20	117
2017	6,893	712	11%	3	13	4	0	40	95	307	32	11	31	105	20	54
2018	6,157	802	13%	2	13	4	0	49	105	344	45	12	35	111	25	59
2019	6,029	774	13%	2	15	0	0	45	94	330	32	17	49	113	19	60
2020	5,769	817	14%	2	16	8	0	54	105	323	33	17	54	116	19	72
Costco																
2006	4,108	411	10%	2	15	3	38	16	37	141	30	12	14	69	7	29
2017	3,598	584	16%	3	16	27	29	34	78	197	59	2	12	91	10	29
2018	3,571	588	16%	3	10	24	26	38	86	220	38	3	15	86	13	29
2019	3,543	552	16%	3	13	25	31	32	83	191	43	2	10	81	13	28
2020	3,567	565	16%	3	8	15	32	36	90	198	40	4	18	82	13	29
Sam's Club																
2006	4,960	445	9%	3	78	3	4	8	47	101	23	0	26	103	11	41
2017	5,145	673	13%	7	3	2	9	11	100	217	29	20	80	108	10	84
2018	5,245	849	16%	6	2	5	4	26	139	278	53	17	99	113	10	103
2019	5,241	876	17%	3	10	5	11	31	137	277	49	19	107	112	9	109
2020	4,935	925	19%	3	14	10	8	30	128	311	45	17	125	111	13	113

WCF Research - March, 2020

In addition to Kirkland Signature, Costco also stocked items under a Costco Wholesale Company (CWC) control label and Trunature health supplements. Sam's also stocked automotive products under Certified and Prime.

As can be seen from the chart, BJ's overall item assortment decreased each of the past four years from 6,693 SKUs in 2017 to 6,157 items in 2018 to 6,029 products in 2019 to 5,769 SKUs in 2020. At the same time, its private label percentage increased from 11% of its total selection in 2017 to 13% of its overall assortment in 2018 and 2019 to 14% of its total selection in 2020. That growth occurred in food (candy, snacks, dry grocery and perishable) with 40 additional items in 2020 compared to 2017, in hard goods with 13 additional items in 2020 compared to 2017 and in sundries with 18 additional items in 2020 compared to 2017.

Over the past four years, Sam's dramatically increased its private label selection from 673 items in 2017 (13% of its total SKUs), to 849 products in 2018 (16% of its total SKUs), to 876 items in 2019 (17% of its total SKUs) to 925 items in 2020 (19% of its total SKUs). That growth occurred in apparel with 11 additional items in 2020 compared to 2017, in food (candy, snacks, dry grocery and perishable) with 141 additional items in 2020 compared to 2017, in hard goods with 45 additional items in 2020 compared to 2017 and in sundries with 29 additional items in 2020 compared to 2017.

Costco's overall private label selection has been consistent. In each of the past four years, Costco's private label selection represented 16% of its overall assortment.

Sales – The chart on the right provides estimated sales for an average private label and branded SKU at each club. The sales data is from the 2019 calendar year and represents worldwide locations but does not include club ancillary businesses (like gasoline and food court). The location count is as of December 31, 2019. The private label percentage of sales is based on each warehouse club's recent quarterly conference calls where that figure or range was discussed.

Private Label Sales		BJ's	Costco	Sam's
Total	SKU	5,769	3,567	4,935
	Locations	219	785	813
	Yearly Product Sales less Ancillary (million)	\$11,321	\$124,779	\$67,078
	Yearly Sales per SKU	\$1,962,385	\$34,981,497	\$13,592,300
	Yearly Sales per SKU per Location	\$8,961	\$44,562	\$16,719
Weekly Sales per SKU per Location		\$172	\$857	\$322
Branded	SKU	4,952	3,002	4,010
	Percent of Sales	79.6%	75.2%	74.9%
	Yearly Sales (million)	\$9,012	\$93,834	\$50,241
	Yearly Sales per SKU	\$1,819,773	\$31,257,098	\$12,529,033
	Yearly Sales per SKU per Location	\$8,309	\$39,818	\$15,411
Weekly Sales per SKU per Location		\$160	\$766	\$296
Private Label	SKU	817	565	925
	Percent of Sales	20.4%	24.8%	25.1%
	Yearly Sales (million)	\$2,309	\$30,945	\$18,837
	Yearly Sales per SKU	\$2,826,786	\$54,770,251	\$18,201,706
	Yearly Sales per SKU per Location	\$12,908	\$69,771	\$22,388
Weekly Sales per SKU per Location		\$248	\$1,342	\$431

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It is estimated that calendar year private label sales were: \$2.31 billion at BJ's (20.4% of merchandise sales), \$16.84 billion at Sam's Club (25.1% of merchandise sales) and \$30.95 billion at Costco (\$24.8% of merchandise sales). A branded item at BJ's generates \$160 per week per club compared to a private label item which generates \$248 per week per club. A branded item at Costco generates \$766 per week per club compared to a private label item which generates \$1,342 per week per club. A branded item at Sam's Club generates \$296 per week per club compared to a private label item which generates \$431 per week per club.

Competing Against a Private Label SKU

For three reasons, club vendors can compete with a private label SKU for shelf space. First, not every branded item is deleted when a private label product is introduced. BJ's and Sam's are more likely to keep competing branded SKUs due to their larger overall assortment. Second, club buyers still evaluate private label items 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. Third, strategic options exist that can help vendors better position their branded item. Those options include the following five concepts:

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, coupon or end cap commitments.

Regional Success – If the sales of a branded SKU is higher or more dominant in a region or area of the country, suppliers can potentially leverage that success and attempt to continue distribution of their product in those markets.

Organic Items

BJ's stocked the most private label organic items among the three clubs with 71 Wellesley Farm products (see chart on the right). This figure has been consistent over the past three years as it stocked 69 organic SKUs in 2017, 68 organic items in 2018 and 69 organic products in 2019. Costco stocked 41 Kirkland Signature organic items compared to 33 organic SKUs in 2017, 42 organic items in 2018 and 38 organic products in 2019. Sam's Member's Mark organic selection decreased over the past three years from 27 organic SKUs in 2018 to 20 organic items in 2019 to 16 organic products in 2020.

Organic	BJ's				Costco				Sam's Club			
	Wellesley Farms				Kirkland Signature				Member's Mark			
	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
Apparel	0	0	0	0	0	0	0	0	0	0	0	0
Bakery	4	0	0	0	0	0	0	0	0	0	0	0
Candy, Snacks	4	3	6	5	3	5	5	3	1	0	0	0
Cooler	8	9	9	8	4	6	5	6	3	4	1	0
Deli	2	3	5	3	1	1	1	2	1	3	1	0
Dry Grocery	26	26	24	27	22	26	25	28	19	19	18	16
Freezer	15	14	11	14	2	3	1	1	1	1	0	0
Fresh Meat	0	0	0	0	1	1	1	1	0	0	0	0
Pet	0	0	0	0	0	0	0	0	1	0	0	0
Produce	10	13	14	14	0	0	0	0	0	0	0	0
Total	69	68	69	71	33	42	38	41	26	27	20	16

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The clubs continue to 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 retailers is larger than normal and organic items add to the club treasure hunt philosophy. The following are some of the organic items stocked by each club.

BJ's – Wellesley Farms – In the snack category, BJ's stocked a 36-ounce bag of organic blue corn tortilla chips for \$5.99 and a 40-ounce bag of organic yellow corn tortilla chips for \$5.99. In the dry grocery department, BJ's stocked: a 32-ounce bag of organic chia seeds for \$10.49, a case of twenty-four 10-ounce bottles of organic honey crisp apple juice for \$9.99, a 36-ounce bottle of organic peanut butter for \$8.99 and a 10.8-ounce bottle of organic cinnamon spice for \$4.99. In produce, BJ's stocked: a three-pound bag of organic yellow onions for \$3.49, a five-pound bag of organic carrots for \$3.49 and a 16-ounce container of organic spinach for \$3.79.

Costco – Kirkland Signature – In the dry grocery category, Costco stocked: a case of six 32-ounce containers of organic almond milk for \$7.99, a package of three 32-ounce bottles of organic apple cider vinegar for \$7.59, a one-liter bottle of organic maple syrup for \$10.79, a package of two 28-ounce bottles of organic peanut butter for \$9.99 and a 14.5-ounce bottle of organic no salt seasoning for \$7.99. In the cooler, Costco stocked: a 24-count container of organic brown eggs for \$5.99, a case of three 64-ounce bottles of organic whole milk for \$10.49 and a package of two 59-ounce bottles of organic orange juice for \$8.79. In the deli, Costco stocked: a case of sixteen 2.5-ounce containers of organic chunk guacamole for \$13.49 and a case of twenty 2.4-ounce containers of organic hummus for \$6.59.

Sam's – Member's Mark – In the dry grocery department, Sam's Club stocked: a 56-ounce bottle of organic coconut oil for \$13.98, a 40-ounce bag of organic whole bean breakfast coffee for \$13.98, a 32-ounce bottle of organic maple syrup for \$10.28, a 16-ounce bag of organic pine nuts for \$20.98 and a 9.25-ounce bottle of organic onion powder for \$7.68.

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 21 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 chart on the right shows BJ's SKU count by brand and category. The following are some of the unique private label items stocked at BJ's:

Non-Food – In the bed and bath category, BJ's stocked: a Berkley & Jensen king mattress pad for \$39.99, a Berkley & Jensen queen mattress pad for \$34.99 and a set of two Berkley & Jensen memory foam pillows for \$29.99. In the general merchandise category, BJ's stocked a 14-count package of Berkley & Jensen D batteries for \$15.99. In the furniture category, BJ's stocked a Berkley & Jensen twin-over-twin bunk bed with stairs for \$499.99.

BJ's	Berkley & Jensen	Wellsley Farms	Other	Total
Alcohol	0	8	0	8
Apparel	16	0	0	16
Automotive	0	0	0	0
Bed and Bath	17	0	0	17
Candy, Snacks	0	54	0	54
Dry Grocery	0	105	0	105
Hard Goods	54	0	0	54
HBA, Baby	111	5	0	116
Perishable	0	323	0	323
Pet	19	0	0	19
Seasonal	32	1	0	33
Sundries	72	0	0	72
2020	321	496	0	817
2019	302	471	1	774
2018	294	508	0	802
2017	284	428	0	712

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In the office category, BJ's stocked a Berkley & Jensen metal folding chair for \$18.99. In the kitchen category, BJ's stocked: a three-piece Berkley & Jensen mixing bowl set (three-quart, five-quart and eight-quart) for \$16.99, a Berkley & Jensen five-quart salad spinner for \$12.99, a 1.9-quart Berkley & Jensen stainless steel tea kettle for \$19.99 and a 28-count case of Berkley & Jensen square glass storage containers and lids for \$29.99.

Food – In the candy and snack category, BJ's stocked: a 45-ounce container of Wellesley Farms animal crackers for \$4.99, an 11-ounce container of Wellesley Farms plantain chips for \$3.99, a 21-ounce bag of Wellesley Farms heart healthy mixed nuts for \$7.99 and a 55-ounce container of Wellesley Farms pretzel sticks for \$7.99. In the dry grocery category, BJ's stocked: a 27-ounce bottle of Wellesley Farms almond butter for \$9.99, a 34-ounce bottle of Wellesley Farms avocado oil for \$10.99, a 32-ounce bag of Wellesley Farms garlic croutons for \$4.99, a 26.5-ounce bottle of Wellesley Farms hazelnut spread for \$7.99 and a case of fifteen 1-liter bottles of Wellesley Farms plain seltzer for \$7.49.

In the cooler, BJ's stocked: a 20-ounce container of Wellesley Farms grated pecorino romano grated cheese for \$8.99, a 40-ounce container of Wellesley Farms plain Greek yogurt for \$3.49 and a 32-ounce container of Wellesley Farms sliced Swiss cheese for \$7.99. In the deli, BJ's stocked: a 12-ounce container of Wellesley Farms blue cheese for \$5.99, a 30-ounce container of Wellesley Farms garlic hummus for \$4.99 and a 26-ounce container of Wellesley Farms lobster ravioli for \$10.99.

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 eight TruNature private label supplements and several unbranded kitchen and imported seasonal SKUs). The chart on the right shows Costco's SKU count by brand and category. The following are private label observations from Costco:

Co-Branding - An important concept in developing a strong private label program is member acceptance. One way that Costco (as well as BJ's and Sam's Club) achieves this is to co-brand its Kirkland Signature label with existing brand-name products. By associating the Kirkland Signature name with an existing known consumer brand, members associate the quality of the branded company to Costco and Kirkland Signature.

Costco	Kirkland Signature	TruNature	Others	Total
Alcohol	15	0	0	15
Apparel	8	0	0	8
Automotive	32	0	0	32
Bed and Bath	4	0	0	4
Candy, Snacks	36	0	0	36
Dry Grocery	89	0	1	90
Hard Goods	9	0	9	18
HBA, Baby	74	8	0	82
Perishable	198	0	0	198
Pet	13	0	0	13
Seasonal	20	0	20	40
Sundries	28	0	1	29
2020	526	8	31	565
2019	509	10	33	552
2018	548	8	32	588
2017	545	7	32	584

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The following are some of the products/brands that are co-branded with Kirkland Signature: a 52-ounce container of peanut butter pretzels with Anderson Pretzel for \$8.99, a 35-pound container of peanut oil with Cargill for \$35.99, a 100-count case of green tea with Ito En for \$13.59 and a 240-count bag of 18-ounce red plastic cups with Chinet for \$9.79.

Honey – Costco's Kirkland Signature private label 100% raw unfiltered honey is produced and labeled regionally. Costco's corporate foods and sundry buyer said, "We realized what our members really want is not just 100 percent U.S., but something that's more local: Washington honey, Florida honey, Great Lakes honey. Our Kirkland Signature honey has always been fully traceable arriving segregated by origin and beekeeper. With this level of traceability, we realized it was fully possible to develop an extensive local honey program. If your state produces a lot of honey, such as California, you'll find [that state's name] on the label. Alabama doesn't produce a lot of honey, so our Alabama locations might have a Southeast blend with honey from Florida and Georgia. The Northeast region produces honey but not enough to supply all the Costco locations in that area, so we're going to have a regional blend for them that is 100 percent U.S."

Bed Sheets – Costco stocks ten bed sheet SKUs. The highest quality and most expensive products were a king and queen set of Kirkland Signature bed sheets. Costco’s bed sheet selection included: a six-piece microfiber polyester queen set from Charisma for \$15.99, a six-piece microfiber polyester king set from Charisma for \$19.99, a four-piece 300-thread count queen set from Laurel Crest for \$24.99, a four-piece 300-thread count king set from Laurel Crest for \$34.99, a four-piece cotton queen set from Nautica for \$29.99, a four-piece cotton king set from Nautica for \$34.99, a six-piece 400-thread count queen set from Charisma for \$39.99, a six-piece 400-thread count king set from Charisma for \$49.99, a six-piece 680-thread count queen set from Kirkland Signature for \$69.99 and a six-piece 680-thread count king set from Kirkland Signature for \$79.99.

Over the years, Costco increased the thread count of its Kirkland Signature sheets without a commensurate retail price increase. In 2005, Costco stocked 420-thread count sheets for \$56.49 (queen) and \$66.49 (king). In 2006, Costco stocked 500-thread count sheets for \$59.99 (queen) and \$69.99 (king) and in 2016, Costco stocked 540-thread count sheets for \$59.49 (queen) and \$69.49 (king).

Non-Food – In the automotive category, Costco stocked a case of two 5-quart bottles of Kirkland Signature synthetic 5W30 motor oil for \$24.99 (see picture on the right). In the bed and bath category, Costco stocked: a six-piece 680-thread count set of Kirkland Signature supima cotton king sheets for \$79.99 and six-piece 680-thread count set of Kirkland Signature supima cotton queen sheets for \$69.99. In the kitchen category, Costco stocked: a 10-count box of Kirkland Signature water filter cartridges for \$24.99 and a Kirkland Signature 10-cup water filter pitcher and two water filter cartridges for \$17.99.



Costco – Kirkland Signature Motor Oil

Food – In the candy and snack category, Costco stocked: a 40-ounce container of Kirkland Signature praline pecans for \$12.69, a 12-ounce bag of Kirkland Signature dried steak strips for \$9.99 and a 13.5-ounce bag of Kirkland Signature dried turkey strips for \$9.99. In the dry grocery category, Costco stocked: a 48-ounce bag of Kirkland Signature almond flour for \$13.39, a case of twelve 11-ounce cans of Kirkland Signature cold brew coffee for \$13.99, a case of twelve 12-ounce cans of Kirkland Signature evaporated milk for \$9.69 and a case of twenty-four 16.9-ounce bottles of Kirkland Signature Italian sparkling mineral water for \$12.99. In the cooler, Costco stocked sixteen 1.5-ounce Kirkland Signature fruit and nut packs (eight each of sharp cheddar, cashews and cranberries and white cheddar, almonds and cranberries) for \$8.99.

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. The chart on the right details Sam’s private label assortment by brand and category. The following are private label observations from Sam’s Club:

Sam’s	Member’s Mark	Member’s Mark FS/Comm	Prime	Certified	Daily Chef	Daily Chef FS/Comm	Other	Total
Alcohol	10	0	0	0	0	0	0	10
Apparel	14	0	0	0	0	0	0	14
Automotive	1	0	5	2	0	0	0	8
Bed and Bath	13	4	0	0	0	0	0	17
Candy, Snacks	29	1	0	0	0	0	0	30
Dry Grocery	106	22	0	0	0	0	0	128
Hard Goods	82	43	0	0	0	0	0	125
HBA, Baby	111	0	0	0	0	0	0	111
Perishable	308	3	0	0	0	0	0	311
Pet	13	0	0	0	0	0	0	13
Seasonal	45	0	0	0	0	0	0	45
Sundries	67	46	0	0	0	0	0	113
2020	799	119	5	2	0	0	0	925
2019	719	150	5	2	0	0	0	876
2018	697	113	0	2	5	31	1	849
2017	471	74	0	6	43	64	15	673

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Co-Branding – Historically, Sam’s Club has co-branded its Member’s Mark label with a few companies. However, over the past couple years, the number of co-branded Member’s Mark products increased.

For example, Member’s Mark is co-branded with the following items and brands: a 16-ounce container of Tone’s chicken soup base for \$4.98, a 24-count glass food storage set with lids from Glasslock for \$24.98, a 15-piece hard anodized cookware set with Tramontina for \$149.98, a 20-count plastic food storage set with lids from Tritan for \$19.98 and a 125-count bag of Hefty 9.5-inch by 9-inch three compartment foam containers for \$11.98.

Non-Food – In apparel, Sam’s stocked: a Member’s Mark set of five baby short sleeve onesies for \$9.98, Member’s Mark girl’s active shorts for \$4.98, a Member’s Mark women’s active leggings for \$9.98 and a 10-pair package of Member’s Mark kids socks for \$7.98. In bed and bath, Sam’s Club stocked: a Member’s Mark canvas lined woven laundry hamper for \$24.98 and a set of 24 Member’s Mark commercial white washcloths for \$13.28. In the pet category, Sam’s Club stocked a five-pound box of Member’s Mark grain free peanut butter dog treats for \$9.98.

In the hardware category, Sam’s Club stocked: a set of three Member’s Mark tactical flashlights for \$19.98 and a Member’s Mark hand truck for \$79.98. In the office category, Sam’s Club stocked: an 18-inch by 18-inch by six-inch medium strength Member’s Mark cardboard box for \$1.98, a 500-count box of Member’s Mark #10 window envelopes for \$16.48 and a 24-count package of Member’s Mark five-inch by eight-inch yellow writing pads for \$5.98.

Food – In the freezer, Sam’s Club stocked: a case of ten 6.9-ounce Member’s Mark southern style chicken sandwiches for \$15.98, a case of twenty-four 1-ounce Member’s Mark crab Rangoon appetizers for \$10.98, a ten-pound box of Member’s Mark onion rings for \$19.98 and a 40-ounce bag of Member’s Mark parmesan encrusted tilapia for \$11.98. In the deli, Sam’s Club stocked: a package of five 2.79-ounce Member’s Mark protein packs with egg, a turkey stick and jack cheese for \$9.68, a package of twelve 1.5-ounce Member’s Mark chicken skewers for \$8.98 and a 24-ounce container of Member’s Mark raspberry chipotle dip for \$7.98.

In candy and snacks, Sam’s stocked: a 16-ounce bag of Member’s Mark wavy potato chips for \$2.49 and a 31-ounce bag of Member’s Mark sea salt caramels for \$9.98. In the dry grocery category, Sam’s Club stocked: a package of two 7-ounce cans of Member’s Mark olive oil spray for \$3.98, a case of twelve 6-ounce cans of Member’s Mark tomato paste for \$4.98, a case of fifteen 1-liter bottles of Member’s Mark Plus+ water for \$8.32 and a 2,000-count case of Member’s Mark Foodservice sugar packets for \$9.96.

Pricing Analysis

This section includes two private label retail pricing charts. The first chart compares the pricing of a private label product stocked by all three club operators. The second chart compares club private label pricing to the competing national brand for each product. The data for each chart was gathered in March, 2020.

Club Private Label Pricing – Fifteen private label items stocked by each of the three clubs were selected for this analysis (see chart below). 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 the 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.

PL Comparison	Sam's Club				Costco					BJ's Wholesale				
	Brand	Pack	Retail	Unit Retail	Brand	Pack	Retail	Unit Retail	DIFF	Brand	Pack	Retail	Unit Retail	DIFF
Advil	Member's Mark	2 600 ct	\$10.54	\$0.0088	Kirkland Signature	2 500 ct	\$9.99	\$0.0100	114	Berkley & Jensen	1 500 ct	\$7.99	\$0.0160	182
Artichoke Hearts	Member's Mark	1 33.5 oz	\$6.88	\$0.2054	Kirkland Signature	2 33 oz	\$9.99	\$0.1514	74	Wellesley Farms	1 34.6 oz	\$7.19	\$0.2078	101
Atlantic Salmon - Frozen	Member's Mark	1 40 oz	\$24.98	\$0.6245	Kirkland Signature	1 48 oz	\$26.99	\$0.5623	90	Wellesley Farms	1 32 oz	\$17.99	\$0.5622	90
Cashews - Unsalted	Member's Mark	1 33 oz	\$13.98	\$0.4236	Kirkland Signature	1 40 oz	\$14.99	\$0.3748	88	Wellesley Farms	1 40 oz	\$17.99	\$0.4498	106
Fionase	Member's Mark	6 0.54 oz	\$27.58	\$8.5123	Kirkland Signature	5 0.54 oz	\$22.99	\$8.5148	100	Berkley & Jensen	4 0.54 oz	\$24.99	\$11.5694	136
Heavyweight Plates - 7.5", 10.25"	Member's Mark	1 48 ct	\$11.88	\$0.2475	Kirkland Signature	1 50 ct	\$9.99	\$0.1998	81	Berkley & Jensen	1 30 ct	\$10.99	\$0.3663	148
Jeans - Men	Member's Mark	1 1 ct	\$12.98	\$12.9800	Kirkland Signature	1 1 ct	\$12.99	\$12.9900	100	Berkley & Jensen	1 1 ct	\$13.99	\$13.9900	108
Maple Syrup - Organic	Member's Mark	1 32 oz	\$10.28	\$0.3213	Kirkland Signature	1 33.8 oz	\$10.79	\$0.3192	99	Wellesley Farms	1 32 oz	\$10.49	\$0.3278	102
Mexican Blend Cheese - Shredded	Member's Mark	2 16 oz	\$6.97	\$0.2178	Kirkland Signature	2 40 oz	\$14.99	\$0.1874	86	Wellesley Farms	2 24 oz	\$8.49	\$0.1769	81
Nicorette Gum - 2mg - Original Flavor	Member's Mark	2 190 ct	\$55.98	\$0.1473	Kirkland Signature	2 190 ct	\$56.99	\$0.1500	102	Berkley & Jensen	1 320 ct	\$49.99	\$0.1562	106
Olive Oil - Extra Virgin - Organic	Member's Mark	1 2 liter	\$14.78	\$7.3900	Kirkland Signature	1 2 liter	\$11.99	\$5.9950	81	Wellesley Farms	1 1.5 liter	\$14.99	\$9.9933	135
Parchment Paper	Member's Mark	2 205 sf	\$11.28	\$0.0275	Kirkland Signature	2 205 sf	\$9.99	\$0.0244	89	Berkley & Jensen	2 75 sf	\$6.99	\$0.0466	169
Pretzels - Peanut Butter Filled	Member's Mark	1 44 oz	\$6.86	\$0.1559	KS/Anderson	1 52 oz	\$8.89	\$0.1710	110	Wellesley Farms	1 37 oz	\$6.99	\$0.1889	121
Stool Softener	Member's Mark	1 600 ct	\$7.98	\$0.0133	Kirkland Signature	2 200 ct	\$5.39	\$0.0135	101	Berkley & Jensen	1 400 ct	\$7.99	\$0.0200	150
Zytec	Member's Mark	1 400 ct	\$15.38	\$0.0385	Kirkland Signature	1 365 ct	\$13.99	\$0.0383	100	Berkley & Jensen	1 365 ct	\$15.99	\$0.0438	114

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For example, all three clubs stocked frozen Atlantic salmon. Sam’s stocked a 40-ounce bag of Member’s Mark for \$24.98 or 62.5-cents per ounce, Costco stocked a 48-ounce bag of Kirkland Signature for \$26.99 or 56.2-cents per ounce (10% lower than Sam’s Club) and BJ’s stocked a 32-ounce bag for \$17.99 or 56.2-cents per ounce (10% lower than Sam’s Club).

National Brand Comparison – Fourteen private label items along with the competing national brand were selected at BJ’s, Costco and Sam’s Club (see chart on the next page). 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 determined and appear in the savings column.

For example, BJ’s stocked a 12-ounce package of Hormel fully cooked bacon for \$13.99 or \$1.17 per ounce and a 10-ounce package of Wellesley Farms fully cooked bacon for \$9.99 or 99.9-cents per ounce. The Wellesley Farms item offered a savings of 17%.

Brand Comparison		National Brand				Private Label					
		Brand	Pack	Retail	Unit	Brand	Pack	Retail	Unit	Savings	
Costco	Naproxen	Aleve	320 ct	\$18.49	\$0.0578	Kirkland Signature	2-200 ct	\$12.49	\$0.0312	85%	
	Low Dose Aspirin - 81 mg	Bayer	400 ct	\$13.59	\$0.0340	Kirkland Signature	2-365 ct	\$4.49	\$0.0062	452%	
	Fabric Softener Sheets	Bounce	320 ct	\$9.99	\$0.0312	Kirkland Signature	500 ct	\$7.99	\$0.0160	95%	
	Water Filter (10-cup), Cartridges (2)	Brita	1 ct	\$29.99	\$29.9900	Kirkland Signature	1 ct	\$17.99	\$17.9900	67%	
	Solid White Albacore Tuna	Bumble Bee	8-7 oz	\$16.69	\$0.2980	Kirkland Signature	8-7- oz	\$14.99	\$0.2677	11%	
	Dishwasher Pacs	Cascade	90 ct	\$15.99	\$0.1777	Kirkland Signature	115 ct	\$9.79	\$0.0851	109%	
	Hard Anodized Cookware Set	Circulon	13 ct	\$199.99	\$15.3838	Kirkland Signature	12 ct	\$119.99	\$9.9992	54%	
	Fabric Softener	Downy	138 oz	\$11.99	\$0.0869	Kirkland Signature	187 oz	\$8.99	\$0.0481	81%	
	AAA Batteries	Duracell	32 ct	\$16.99	\$0.5309	Kirkland Signature	48 ct	\$16.99	\$0.3540	50%	
	Chocolate Milk - Organic	Horizon	18-8 oz	\$16.49	\$0.1145	Kirkland Signature	24-8.25 oz	\$16.49	\$0.0833	38%	
	5W30 - Motor Oil - Synthetic	Mobile 1	6-1 qt	\$37.99	\$6.3317	Kirkland Signature	2-5 qt	\$24.99	\$2.4990	153%	
	Semi Sweet Morsels	Nestle	72 oz	\$9.79	\$0.1360	Kirkland Signature	72 oz	\$8.99	\$0.1249	9%	
	Laundry Detergent - Free Clear	Tide	208 oz	\$24.99	\$0.1201	Kirkland Signature	194 oz	\$15.69	\$0.0809	49%	
	Laundry Detergent - Pods	Tide	168 ct	\$29.99	\$0.1785	Kirkland Signature	152 ct	\$17.99	\$0.1184	51%	
	BJ's	Whole Milk - Organic	Byrne Hollow	64 oz	\$4.99	\$0.0780	Wellesley Farms	2-64 oz	\$6.99	\$0.0546	43%
		Non Dairy Creamer	Coffee Mate	56 oz	\$5.99	\$0.1070	Wellesley Farms	2-35.3	\$6.49	\$0.0919	16%
Underpads - Women - Large		Depend	84 ct	\$42.99	\$0.5118	Berkley & Jensen	84 ct	\$32.99	\$0.3927	30%	
Scent Booster		Downy	30.3 oz	\$14.49	\$0.4782	Berkley & Jensen	37 oz	\$10.99	\$0.2970	61%	
D Batteries		Duracell	12 ct	\$15.99	\$1.3325	Berkley & Jensen	14 ct	\$15.99	\$1.1421	17%	
Trash Bags - 13-gallon - Forceflex		Glad	120 ct	\$18.49	\$0.1541	Berkley & Jensen	120 ct	\$14.99	\$0.1249	23%	
Bacon - Fully Cooked		Homel	12 oz	\$13.99	\$1.1658	Wellesley Farms	10 oz	\$9.99	\$0.9990	17%	
Nutri Grain Bars		Kellogg's	48-1.3 oz	\$11.49	\$0.1841	Wellesley Farms	48-1.3 oz	\$9.49	\$0.1521	21%	
Apple Juice		Mott's	2-128 oz	\$8.49	\$0.0332	Wellesley Farms	2-96 oz	\$5.19	\$0.0270	23%	
Diapers - Size 6		Pampers	128 ct	\$45.99	\$0.3593	Berkley & Jensen	120 ct	\$25.99	\$0.2166	66%	
Chewy Granola Bars		Quaker	60-0.84 oz	\$8.99	\$0.1784	Wellesley Farms	60-1 oz	\$7.99	\$0.1332	34%	
Saline Solution		Renu	3-16 oz	\$19.99	\$0.4165	Berkley & Jensen	3-16 oz	\$9.99	\$0.2081	100%	
No Calorie Sugar		Splenda	1200 ct	\$21.99	\$0.0183	Wellesley Farms	1000 ct	\$12.99	\$0.0130	41%	
Bed Sheets - 600 thread count - King		Tindent Group	4 ct	\$69.99	\$17.4975	Berkley & Jensen	6 ct	\$69.99	\$11.6650	50%	
Sam's Club		Ibuprofen - Liquid Gels	Advil	240 ct	\$18.98	\$0.0791	Member's Mark	400 ct	\$13.38	\$0.0335	136%
		Dryer Sheets	Bounce	320 ct	\$9.98	\$0.0312	Member's Mark	2-240 ct	\$8.98	\$0.0187	67%
	Cat Food - Canned - Pate	Fancy Feast	48-3 oz	\$26.98	\$0.1874	Member's Mark	32-5.5 oz	\$13.98	\$0.0794	136%	
	Mozzarella Sticks	Farm Rich	6 lb	\$15.68	\$2.6133	Member's Mark	5 lb	\$12.68	\$2.5360	3%	
	Trash Bags - 13-gallon - Forceflex	Glad	120 ct	\$16.98	\$0.1415	Member's Mark	200 ct	\$12.48	\$0.0624	127%	
	Mayonnaise	Hellman's	128 oz	\$12.28	\$0.0959	Member's Mark Food Service	128 oz	\$7.42	\$0.0580	65%	
	Sliced American Cheese - White	Kraft	48 oz	\$7.48	\$0.1558	Member's Mark	80 oz	\$11.48	\$0.1435	9%	
	Motor Oil - Synthetic - 5W30	Mobile 1	6-1 qt	\$38.78	\$6.4633	Prime	12-1 qt	\$21.48	\$1.7900	261%	
	Heartburn Protection	Nexium	42 ct	\$23.68	\$0.5638	Member's Mark	42 ct	\$12.98	\$0.3090	82%	
	Famotidine	Peppid	100 ct	\$25.78	\$0.2578	Member's Mark	2-100 ct	\$8.76	\$0.0438	489%	
	Cream Cheese	Philadelphia	6-8 oz	\$8.98	\$0.1871	Member's Mark	48 oz	\$6.48	\$0.1350	39%	
	Aluminum Foil - Heavy Duty - 18-inch	Reynolds	2-150 foot	\$15.48	\$0.0516	Member's Mark Food Service	500 foot	\$16.48	\$0.0330	57%	
	Laundry Detergent - Pods	Tide	168 ct	\$29.98	\$0.1785	Member's Mark	130 ct	\$18.98	\$0.1460	22%	
	Potato Chips - Ripple/Wave	Utz	24 oz	\$4.42	\$0.1842	Member's Mark	16 oz	\$2.49	\$0.1556	18%	

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Notes