

# Item Basket Comparison

From the perspective of BJ's, Costco and Sam's Club, the paid membership component of their business model is critical to their success. It not only enables the clubs to operate on lower gross margins but provides each club with a revenue source that in many years is equal to or above net income.

When deciding to join or renew a membership at BJ's, Costco and Sam's Club, members require one simple benefit. In return for the membership fee, a warehouse club member expects to save more money shopping at the club than the actual cost of membership. Without that savings, members would not join and the warehouse club business model would not exist.

Item Basket <small>Horford, CT (September 12, 2016)</small>		Sam's Club			Costco			BJ's			Stop & Shop			Walmart											
		Package	Retail	ADJ	Package	Retail	ADJ	Package	Retail	ADJ	Package	Retail	ADJ	Package	Retail	ADJ									
Candy (7)	Hershey Milk Chocolate Bar	36	1.55	oz	\$20.68	36	1.55	oz	\$20.69	\$20.69	36	1.55	oz	\$21.99	\$21.99	6	1.55	oz	\$5.29	\$31.74	6	1.55	oz	\$4.27	\$25.62
	M&M Peanut	1	56	oz	\$7.98	1	56	oz	\$8.99	\$8.99	1	56	oz	\$9.99	\$9.99	1	19.2	oz	\$7.19	\$20.97	1	42	oz	\$8.98	\$11.97
	M&M Plain	1	56	oz	\$7.98	1	56	oz	\$8.99	\$8.99	1	56	oz	\$9.99	\$9.99	1	19.2	oz	\$7.19	\$20.97	1	42	oz	\$8.98	\$11.97
	Reese's Peanut Butter Cups	36	1.5	oz	\$20.68	36	1.5	oz	\$20.69	\$20.69	36	1.5	oz	\$21.99	\$21.99	6	1.5	oz	\$4.00	\$24.00	6	1.5	oz	\$4.27	\$25.62
	Snickers	48	1.86	oz	\$27.58	48	1.86	oz	\$28.99	\$28.99	48	1.86	oz	\$28.99	\$28.99	6	1.86	oz	\$5.29	\$42.32	6	1.86	oz	\$4.27	\$34.16
	Wrigley "5" Cobalt	10	15	ct	\$9.29	18	15	ct	\$12.99	\$7.22	18	15	ct	\$12.99	\$7.22	3	15	ct	\$3.99	\$13.30	3	15	ct	\$2.24	\$7.47
	Wrigley Orbit Spearmint	12	14	ct	\$8.74	20	14	ct	\$11.49	\$6.89	20	14	ct	\$13.29	\$7.97	1	14	ct	\$1.29	\$15.48	3	14	ct	\$2.24	\$8.96
Dry Grocery (28)	Arm & Hammer Baking Soda	1	13.5	lb	\$5.98	1	13.5	lb	\$5.99	\$5.99	1	13.5	lb	\$6.99	\$6.99	1	1	lb	\$1.19	\$16.07	1	4	lb	\$1.98	\$6.68
	Bisquick All Purpose Baking Mix	1	6	lb	\$5.39	1	5	lb	\$5.39	\$6.47	1	5	lb	\$4.59	\$5.51	1	3.75	lb	\$5.49	\$8.78	1	6	lb	\$6.98	\$6.98
	Bush's Baked Beans	8	16.5	oz	\$8.98	8	16.5	oz	\$8.99	\$8.99	8	16.5	oz	\$9.29	\$9.29	1	16	oz	\$1.59	\$13.12	1	28	oz	\$1.97	\$9.29
	Capri Sun - 25% Less Sugar (variety)	40	6	oz	\$6.98	40	6	oz	\$6.99	\$6.99	40	6	oz	\$7.59	\$7.59	30	6	oz	\$6.99	\$9.32	30	6	oz	\$6.48	\$8.64
	Cheerios	1	40.7	oz	\$5.58	1	40.7	oz	\$5.59	\$5.59	1	40.7	oz	\$5.69	\$5.69	1	18	oz	\$4.49	\$10.15	1	21	oz	\$3.98	\$7.71
	Country Time Lemonade Mix	1	82.5	oz	\$6.98	1	82.5	oz	\$5.99	\$5.99	1	82.5	oz	\$7.99	\$7.99	1	19	oz	\$3.79	\$16.46	1	82.5	oz	\$7.98	\$7.98
	Dole Mandarin Oranges	16	4	oz	\$8.28	16	4	oz	\$7.99	\$7.99	16	4	oz	\$8.69	\$8.69	4	4	oz	\$3.49	\$13.96	4	4	oz	\$2.00	\$8.00
	Dunkin Donuts Ground - Original	1	40	oz	\$16.98	1	40	oz	\$16.99	\$16.99	1	40	oz	\$16.99	\$16.99	1	20	oz	\$6.49	\$12.98	1	24	oz	\$13.47	\$22.45
	Folgers Ground - Classic Roast	1	48	oz	\$9.98	1	48	oz	\$9.99	\$9.99	1	48	oz	\$10.19	\$10.19	1	30.5	oz	\$9.49	\$14.94	1	48	oz	\$11.98	\$11.98
	General Mills Lucky Charms	2	23	oz	\$6.98	2	23	oz	\$6.99	\$6.99	2	23	oz	\$7.49	\$7.49	1	20.5	oz	\$5.49	\$12.32	1	20.5	oz	\$3.98	\$8.93
	Goya Black Beans	8	15.5	oz	\$5.98	8	15.5	oz	\$5.99	\$5.99	8	15.5	oz	\$5.99	\$5.99	1	15.5	oz	\$0.79	\$6.32	1	15.5	oz	\$0.98	\$7.84
	Green Mountain K-Cup - Donut House	1	100	ct	\$46.78	1	100	ct	\$46.79	\$46.79	1	100	ct	\$49.99	\$49.99	1	12	ct	\$7.99	\$66.58	1	18	ct	\$11.94	\$66.33
	Heinz Ketchup	3	44	oz	\$6.69	3	44	oz	\$6.69	\$6.69	3	44	oz	\$6.69	\$6.69	1	32	oz	\$2.99	\$12.33	2	50.5	oz	\$6.58	\$8.60
	Hellman's Mayonnaise	2	36	oz	\$8.88	1	64	oz	\$6.99	\$7.86	1	64	oz	\$6.99	\$7.86	1	48	oz	\$6.29	\$9.44	1	48	oz	\$5.98	\$8.97
	Hershey Chocolate Syrup	2	48	oz	\$6.49	2	48	oz	\$6.29	\$6.29	2	48	oz	\$6.49	\$6.49	1	48	oz	\$4.49	\$8.98	1	48	oz	\$3.98	\$7.96
	Hidden Valley Ranch Dressing	2	40	oz	\$9.29	2	40	oz	\$9.29	\$9.29	3	24	oz	\$8.99	\$9.99	1	24	oz	\$5.49	\$18.30	1	36	oz	\$5.47	\$12.16
	Honey Nut Cheerios	2	24	oz	\$6.54	2	27.5	oz	\$7.49	\$6.54	2	27.5	oz	\$7.49	\$6.54	1	21.6	oz	\$4.99	\$11.09	1	21.6	oz	\$3.98	\$8.84
	Kellogg's Frosted Flakes	2	27.5	oz	\$6.24	2	30.95	oz	\$6.99	\$6.21	2	30.95	oz	\$6.99	\$6.21	1	19	oz	\$5.99	\$17.34	1	26.8	oz	\$3.98	\$8.17
	Kellogg's Raisin Bran	2	38.25	oz	\$7.88	2	38.25	oz	\$7.89	\$7.89	2	38.25	oz	\$7.99	\$7.99	1	23.5	oz	\$4.59	\$14.94	1	23.5	oz	\$3.68	\$11.98
	Kraft Parmesan Cheese	1	24	oz	\$7.48	2	20	oz	\$12.49	\$7.49	1	24	oz	\$7.49	\$7.49	1	16	oz	\$7.79	\$11.69	1	16	oz	\$7.00	\$10.50
	Lipton Tea Bags	1	312	ct	\$8.45	1	312	ct	\$8.29	\$8.29	1	312	ct	\$9.49	\$9.49	1	75	ct	\$3.99	\$16.60	1	100	ct	\$3.48	\$10.86
	Maxwell House Ground - Original	1	42.5	oz	\$7.98	1	42.5	oz	\$7.99	\$7.99	1	42.5	oz	\$8.99	\$8.99	1	30.6	oz	\$8.99	\$12.49	1	42.5	oz	\$9.64	\$9.64
	Mazola Corn Oil	1	320	oz	\$17.98	1	320	oz	\$17.99	\$17.99	1	320	oz	\$17.99	\$17.99	1	40	oz	\$4.49	\$35.92	1	128	oz	\$9.44	\$23.60
	Nestle Semi Sweet Morsels	1	72	oz	\$8.98	1	72	oz	\$8.99	\$8.99	1	72	oz	\$9.29	\$9.29	1	24	oz	\$5.49	\$16.47	1	23	oz	\$4.98	\$15.59
	Pam	2	12	oz	\$6.79	2	12	oz	\$6.79	\$6.79	2	12	oz	\$6.99	\$6.99	1	8	oz	\$4.69	\$14.07	1	8	oz	\$3.44	\$10.32
	Post Honey Bunches of Oats - Almonds	2	24	oz	\$5.98	2	24	oz	\$5.99	\$5.99	2	24	oz	\$5.99	\$5.99	1	18	oz	\$3.64	\$9.71	1	28	oz	\$4.48	\$7.68
	Quaker Oats	2	5	lb	\$7.98	2	5	lb	\$7.99	\$7.99	2	2.5	lb	\$6.99	\$13.98	1	2.625	lb	\$4.99	\$19.01	1	2.625	lb	\$3.98	\$15.16
Real Lemon Lemon Juice	2	48	oz	\$5.29	2	48	oz	\$5.29	\$5.29	2	48	oz	\$5.79	\$5.79	1	15	oz	\$2.39	\$15.30	1	15	oz	\$1.98	\$12.67	
Freezer (3)	Haagen Dazs Almond Ice Cream Bars	15	3	oz	\$10.88	15	3	oz	\$10.89	\$10.89	15	3	oz	\$12.49	\$12.49	3	3	oz	\$4.99	\$24.95	3	3	oz	\$4.18	\$20.90
	Jimmy Dean Croissant - Saus, Egg, Chs	12	4.5	oz	\$10.67	12	4.5	oz	\$10.49	\$10.49	12	4.5	oz	\$10.99	\$10.99	4	4.5	oz	\$4.79	\$14.37	8	4.5	oz	\$8.98	\$13.47
	Outshine Fruit Bars - Variety	1	24	ct	\$8.98	1	24	ct	\$8.99	\$8.99	1	24	ct	\$9.99	\$9.99	6	2.75	ct	\$4.49	\$6.53	1	6	ct	\$3.88	\$15.52
Cooler (3)	Chobani Greek Yogurt (0% fat, variety)	12	5.3	oz	\$9.98	20	5.3	oz	\$14.99	\$8.99	16	5.3	oz	\$12.99	\$9.74	1	5.3	oz	\$1.00	\$12.00	8	5.3	oz	\$6.97	\$10.46
	Go Gurt Yogurt (variety)	32	2.25	oz	\$6.98	32	2.25	oz	\$6.99	\$6.99	32	2.25	oz	\$7.79	\$7.79	16	2.25	oz	\$3.67	\$7.84	24	2.25	oz	\$5.98	\$7.97
	Shedd's Country Crock Butter	1	80	oz	\$4.58	1	80	oz	\$4.59	\$4.59	1	80	oz	\$4.79	\$4.79	1	45	oz	\$5.29	\$9.40	1	45	oz	\$3.46	\$6.15
Snacks (4)	Goldfish Crackers	1	65.6	oz	\$9.48	1	58	oz	\$8.29	\$9.38	1	58	oz	\$8.79	\$9.94	1	30	oz	\$8.25	\$18.04	1	30	oz	\$5.98	\$13.08
	Oreos	1	52.5	oz	\$8.28	1	52.5	oz	\$8.29	\$8.29	1	52.5	oz	\$8.49	\$8.49	1	14.3	oz	\$3.32	\$12.19	1	14.3	oz	\$2.98	\$10.94
	Rice Krispie Treats	25	1.3	oz	\$8.48	54	0.78	oz	\$10.89	\$8.40	54	0.78	oz	\$11.99	\$9.25	16	0.78	oz	\$3.99	\$10.39	18	0.78	oz	\$3.68	\$8.52
	Ritz Crackers	1	61.65	oz	\$8.38	1	61.6	oz	\$8.39	\$8.40	1	34.3	oz	\$4.99	\$8.97	1	13.7	oz	\$3.99	\$17.96	1	20.6	oz	\$3.56	\$10.65
Soda, Water, Tea (12)	Coca Cola Classic (can)	35	12	oz	\$11.68	35	12	oz	\$10.69	\$10.69	35	12	oz	\$11.99	\$11.99	12	12	oz	\$4.99	\$14.55	24	12	oz	\$6.98	\$10.18
	Diet Coke (can)	35	12	oz	\$11.98	35	12	oz	\$10.69	\$10.69	35	12	oz	\$11.99	\$11.99	12	12	oz	\$4.99	\$14.55	24	12	oz	\$6.98	\$10.18
	Glacéau Smart Water	12	33.8	oz	\$11.68	12	33.8	oz	\$11.69	\$11.69	12	33.8	oz	\$11.69	\$11.69	6	33.8	oz	\$9.99	\$19.98	6	33.8	oz	\$7.25	\$14.50
	Monster Energy Drink	24	16	oz	\$31.98	24	16	oz	\$31.99	\$31.99	24	16	oz	\$32.79	\$32.79	4	16	oz	\$8.99	\$53.94	1	16	oz	\$1.88	\$45.12
	Pepsi (can)	36	12	oz	\$11.74	36	12	oz	\$10.25	\$10.25	36	12	oz	\$11.99	\$11.99	12	12	oz	\$4.99	\$14.97	24	12	oz	\$7.98	\$11.97
	Pepsi Diet Pepsi (can)	36	12	oz	\$11.74	36	12	oz	\$10.25	\$10.25	36	12	oz	\$11.99	\$11.99	12	12	oz	\$4.99	\$14.97	24	12	oz	\$7.98	\$11.97
	Poland Spring Water	24	23.7	oz	\$5.56	24	23.7	oz	\$5.49	\$5.49	24	23.7	oz	\$5.79	\$5.79	12	23.7	oz	\$4.99	\$9.98	6	23.7	oz	\$2.18	\$8.72
	Poland Spring Water																								

The purpose of the item basket analysis is to understand and track how well the clubs adhere to their low price message, not just against each other but against non-club retailers. The study analyzes the retail prices at the clubs, a grocery store and a supercenter where all five operators compete in the same market for the same customer. By choosing one market, where competition for a customer's wallet is high, the true gauge of the potential savings offered by the warehouse clubs in comparison to grocery stores and supercenters is most likely revealed. This issue contains three sections: methodology, chart layout and results.

Item Basket <small>Hartford, CT (September 12, 2016)</small>			Sam's Club			Costco			BJ's			Stop & Shop			Walmart		
			Package	Retail	ADJ	Package	Retail	ADJ	Package	Retail	ADJ	Package	Retail	ADJ	Package	Retail	ADJ
Baby (2)	Huggies Pull Ups - Boys - Size 3-4	1 116 ct	\$34.98	1 116 ct	\$34.99	\$34.99	1 116 ct	\$34.99	\$34.99	1 22 ct	\$9.49	\$50.04	1 66 ct	\$24.94	\$43.83		
	Pediasure Vanilla	24 8 oz	\$35.98	24 8 oz	\$35.99	\$35.99	24 8 oz	\$36.99	\$36.99	6 8 oz	\$12.49	\$49.96	16 8 oz	\$26.97	\$40.46		
HBA (17)	Advil Liqui Gels (200 mg)	1 240 ct	\$17.49	1 240 ct	\$17.49	\$17.49	1 240 ct	\$18.49	\$18.49	1 80 ct	\$10.49	\$31.47	1 200 ct	\$18.74	\$22.49		
	Aleve Caplets (220 mg)	1 320 ct	\$16.97	1 320 ct	\$16.89	\$16.89	1 320 ct	\$17.99	\$17.99	1 100 ct	\$8.99	\$28.77	1 270 ct	\$18.88	\$22.38		
	Bayer Aspirin (325 mg)	1 500 ct	\$12.39	1 500 ct	\$12.39	\$12.39	1 500 ct	\$13.99	\$13.99	1 200 ct	\$11.49	\$28.73	1 200 ct	\$9.47	\$23.68		
	Dove Conditioner	1 40 oz	\$6.48	1 40 oz	\$6.99	\$6.99	1 40 oz	\$6.99	\$6.99	1 12 oz	\$5.49	\$18.30	1 22 oz	\$5.47	\$9.95		
	Dove Shampoo - Daily Moisturizer	1 40 oz	\$6.48	1 40 oz	\$6.99	\$6.99	1 40 oz	\$6.99	\$6.99	1 12 oz	\$5.49	\$18.30	1 22 oz	\$5.47	\$9.95		
	Dove Soap	14 4 oz	\$13.98	16 4 oz	\$15.99	\$13.99	14 4 oz	\$15.99	\$15.99	6 4 oz	\$6.99	\$16.31	6 4 oz	\$6.88	\$16.05		
	Excedrin Migraine Caplets	1 300 ct	\$14.98	1 300 ct	\$14.99	\$14.99	1 300 ct	\$17.99	\$17.99	1 100 ct	\$10.79	\$32.37	1 100 ct	\$9.94	\$29.82		
	Glide Floss - Pro Health	6 43.7 yds	\$12.98	6 43.7 yds	\$12.99	\$12.99	6 43.7 yds	\$12.99	\$12.99	1 43.7 yds	\$3.99	\$23.94	2 43.7 yds	\$5.77	\$17.31		
	Glucerna Vanilla Shake	24 8 oz	\$32.98	24 8 oz	\$32.99	\$32.99	24 8 oz	\$36.99	\$36.99	6 8 oz	\$11.99	\$47.96	16 8 oz	\$21.97	\$32.96		
	Head and Shoulders Shampoo - Classic	1 40 oz	\$10.48	1 40 oz	\$11.99	\$11.99	1 40 oz	\$10.79	\$10.79	1 23.7 oz	\$8.19	\$13.82	1 23.7 oz	\$7.48	\$12.62		
	Irish Spring	20 3.75 oz	\$8.48	20 4 oz	\$8.99	\$8.43	20 3.75 oz	\$9.49	\$9.49	8 3.75 oz	\$4.32	\$10.80	8 3.75 oz	\$3.97	\$9.93		
	Listerine Mouth Rinse - Cool Mint	2 1.5 ltr	\$9.98	2 1.5 ltr	\$10.99	\$10.99	2 1.5 ltr	\$11.49	\$11.49	1 1 ltr	\$4.99	\$14.97	1 1.5 ltr	\$5.97	\$11.94		
	Olay Body Wash - Moisturizing	3 23.6 oz	\$11.48	3 23.6 oz	\$11.49	\$11.49	3 23.6 oz	\$12.99	\$12.99	1 22 oz	\$5.49	\$17.67	1 23.6 oz	\$4.97	\$14.91		
	Tylenol Arthritis - 650 mg	1 290 ct	\$15.96	1 290 ct	\$15.99	\$15.99	1 290 ct	\$15.99	\$15.99	1 100 ct	\$11.49	\$33.32	1 225 ct	\$15.97	\$20.58		
	Tylenol Children's - Grape	2 4 oz	\$8.98	2 4 oz	\$8.99	\$8.99	2 4 oz	\$9.99	\$9.99	1 4 oz	\$7.39	\$14.78	1 4 oz	\$5.67	\$11.34		
	Tylenol Extra Strength Caplets - 500 mg	1 325 ct	\$15.95	1 325 ct	\$15.89	\$15.89	1 325 ct	\$15.99	\$15.99	1 100 ct	\$8.99	\$29.22	1 225 ct	\$13.95	\$20.15		
	Vicks Nyquil	3 12 oz	\$16.48	3 12 oz	\$16.49	\$16.49	3 12 oz	\$16.99	\$16.99	1 12 oz	\$9.49	\$28.47	2 12 oz	\$13.97	\$20.96		
Office (2)	3M Post It Notes (3"x3")	27 100 ct	\$16.84	24 100 ct	\$15.79	\$17.76	18 100 ct	\$11.99	\$17.99	1 500 ct	\$6.99	\$37.75	4 90 ct	\$3.97	\$29.78		
	Scotch Packaging Tape	6 54.6 yds	\$17.98	8 54.6 yds	\$22.99	\$17.24	8 54.6 yds	\$21.99	\$16.49	1 22.2 yds	\$3.49	\$51.50	1 54.6 yds	\$3.97	\$23.82		
Pet (2)	Fancy Feast Grilled Food - Cat	36 3 oz	\$18.98	48 3 oz	\$25.29	\$18.97	36 3 oz	\$18.99	\$18.99	12 3 oz	\$9.49	\$28.47	30 3 oz	\$15.92	\$19.10		
	Pedigree Complete Nutrition - Dog	1 55 lb	\$22.98	1 55 lb	\$22.99	\$22.99	1 52 lb	\$24.49	\$25.90	1 15 lb	\$11.99	\$43.96	1 28 lb	\$21.96	\$43.14		
Sundries (15)	Bounce Dryer Sheets	1 320 ct	\$9.98	1 320 ct	\$9.99	\$9.99	1 320 ct	\$9.99	\$9.99	1 160 ct	\$7.99	\$15.98	1 240 ct	\$8.94	\$11.92		
	Clorox 2 Stain Fighter	1 112.75 oz	\$13.59	1 112.75 oz	\$12.99	\$12.99	1 112.75 oz	\$12.99	\$12.99	1 33 oz	\$6.99	\$23.88	1 88 oz	\$12.58	\$16.12		
	Clorox Bleach (concentrated)	3 121 oz	\$8.98	3 121 oz	\$8.99	\$8.99	3 121 oz	\$8.99	\$8.99	1 64 oz	\$2.49	\$14.12	1 121 oz	\$3.97	\$11.91		
	Downy Unstoppables	1 36.2 oz	\$12.98	1 36.2 oz	\$14.79	\$14.79	1 36.2 oz	\$14.79	\$14.79	1 19.5 oz	\$9.99	\$18.55	1 19.5 oz	\$8.94	\$16.60		
	Glad Trash Bags - 13-g Forceflex Draw	1 140 ct	\$15.98	1 140 ct	\$15.99	\$15.99	1 120 ct	\$17.99	\$20.99	1 76 ct	\$14.99	\$27.61	1 68 ct	\$14.48	\$29.81		
	Jet Dry	1 27.5 oz	\$9.98	1 32 oz	\$9.99	\$8.59	1 32 oz	\$9.99	\$8.59	1 16 oz	\$8.29	\$14.25	1 23 oz	\$9.43	\$11.28		
	Palmolive Dish Detergent	1 90 oz	\$7.98	1 102 oz	\$7.99	\$7.05	1 102 oz	\$7.99	\$7.05	1 25 oz	\$2.44	\$8.78	1 25 oz	\$2.47	\$8.89		
	Reynolds Aluminum Foil (12 inch)	3 200 sf	\$18.47	2 250 sf	\$15.39	\$18.47	2 250 sf	\$15.99	\$19.19	1 200 sf	\$8.79	\$26.37	1 250 sf	\$9.98	\$23.95		
	Scotch Brite Heavy Duty Sponge (green)	1 21 ct	\$12.98	1 21 ct	\$12.99	\$12.99	1 18 ct	\$11.49	\$13.41	1 3 ct	\$3.29	\$23.03	1 9 ct	\$7.97	\$18.60		
	Swiffer Dry Refill	1 80 ct	\$14.98	1 80 ct	\$14.99	\$14.99	1 80 ct	\$15.49	\$15.49	1 16 ct	\$4.49	\$22.45	1 48 ct	\$11.47	\$19.12		
	Swiffer Wet Refill	1 60 ct	\$14.98	1 60 ct	\$14.99	\$14.99	1 60 ct	\$15.49	\$15.49	1 28 ct	\$10.49	\$22.48	1 48 ct	\$14.47	\$18.09		
	Tide Laundry Detergent (liquid)	1 225 oz	\$18.48	1 225 oz	\$23.79	\$23.79	1 225 oz	\$26.49	\$26.49	1 150 oz	\$18.99	\$28.49	1 150 oz	\$17.97	\$26.96		
	Tide, No Bleach (powder)	1 254 oz	\$29.79	1 254 oz	\$29.79	\$29.79	1 225 oz	\$26.49	\$29.90	1 95 oz	\$15.99	\$42.75	1 143 oz	\$18.96	\$33.68		
	Vanity Fair Napkins - 2 ply	1 660 ct	\$8.98	1 660 ct	\$8.99	\$8.99	1 660 ct	\$8.99	\$8.99	1 200 ct	\$4.49	\$14.82	1 300 ct	\$4.98	\$10.96		
	Windex Window Cleaner	1 160 oz	\$9.76	1 208 oz	\$12.69	\$9.76	1 160 oz	\$11.79	\$11.79	1 23 oz	\$3.29	\$22.89	1 67.6 oz	\$5.44	\$12.88		
<b>Total General Merchandise</b>			<b>\$588.15</b>	<b>\$596.07</b>	<b>1%</b>	<b>\$627.61</b>	<b>7%</b>	<b>\$997.32</b>	<b>70%</b>	<b>\$777.86</b>	<b>32%</b>						
<b>Total</b>			<b>\$1,215.52</b>	<b>\$1,214.48</b>	<b>0%</b>	<b>\$1,288.64</b>	<b>6%</b>	<b>\$2,002.92</b>	<b>65%</b>	<b>\$1,591.32</b>	<b>31%</b>						

## Methodology

The data for this 2016 item basket analysis was gathered from a BJ's, a Costco, a Sam's Club, a Walmart supercenter and a Stop & Shop grocery store in the Hartford, Connecticut market. The locations were all within a seven-mile radius of each other and are approximately ten miles west to southwest of downtown Hartford.

Item description, package size and retail price data was recorded at each retail operator on September 12, 2016. The retail price data represents an item's listed cost and does not include instant coupons, rebates or any other in store/club discounts.

Consumer branded products are used exclusively for this analysis to make sure that each item being compared is exactly the same at each retail/club operator. However, package sizes will vary. Given that issue, the most logical method to compare a market basket of branded items at each retailer is to set up the package sizes at one retailer as the control group. The control group used (currently and historically) is Sam's Club.

The price-per-unit is calculated for each item at the other four retailers and multiplied by the package size of the control retailer, Sam's Club. This adjusted retail price is listed next to the actual retail price under the ADJ column in the charts on pages two and three. It is our belief that comparing the adjusted retail prices for each of the four non-control retailers to the retail price of the control retailer provides the most accurate apples-to-apples market basket comparison.

The following is an example of how an adjusted retail price is calculated. Sam's Club stocked a 24-ounce bottle of Kraft parmesan cheese for \$7.48. Costco stocked a package of two 20-ounce bottles of Kraft parmesan cheese for \$12.49. Costco's price-per-unit (or per-ounce in this case) is calculated by dividing its retail price of \$12.49 by 40, the total number of ounces in the package. Costco's resultant price-per-ounce is 31.22-cents. Costco's price-per-ounce is then multiplied by the Kraft parmesan cheese package size at Sam's Club (24-ounces) for a Costco adjusted retail price of \$7.49. This calculation was performed for each item at BJ's, Costco, Stop & Shop and the Walmart supercenter.

## Chart Layout

The two charts on the previous two pages list all item basket SKUs along with the package size and pricing data. The totals for Sam's Club are calculated by adding up the retail price column while the totals for the other four retailers are calculated by adding up the adjusted retail price columns.

The bottom of the first chart includes a food total and the bottom of the second chart three includes a non-food total and the overall food and general merchandise total. The percentage numbers to the right of the totals represent the percentage higher (if the number is positive) or lower (if the number is negative) compared to Sam's Club. For example, the adjusted food total of \$813.46 at the Walmart supercenter is 30% higher than Sam's food total of \$627.37.

## Results

A total of 95 branded items from 11 categories were recorded (57 food SKUs and 38 non-food items). In every case, the same brand and product was stocked by each retailer. The item basket analyses from 2007 to 2013 averaged 73 items. That number has been increased to 94 products in 2014 and 95 items in 2015 and 2016. By including more items each year, the validity of current and historical results are reinforced due to the fact that the overall findings of the analysis have remained fairly consistent over the years.

Year	Item Basket Market	Sam's Club			Costco			BJ's			Grocery			Walmart			
		Items	Food	Non-Food	Total	Food	Non-Food	Total	Food	Non-Food	Total	Food	Non-Food	Total	Food	Non-Food	Total
2007	Frederick/Columbia, MD	54	100	100	100	98	99	99	102	102	102	150	158	154	122	117	119
2008	Cleveland, OH	70	100	100	100	100	100	100	104	103	104	174	157	164	133	136	135
2009	Duluth, GA	76	100	100	100	100	100	100	103	104	104	148	153	150	120	132	126
2010	Miami, FL	68	100	100	100	100	98	99	101	101	101	161	162	161	127	136	131
2011	Fort Myers, FL	77	100	100	100	100	100	100	104	104	104	159	163	161	129	131	130
2012	Nashua/Hudson, NH	82	100	100	100	99	100	100	103	103	103	159	159	159	129	128	128
2013	Jacksonville, FL	84	100	100	100	101	100	101	105	104	105	166	157	161	129	134	132
2014	Raleigh, NC	94	100	100	100	101	100	101	104	104	104	165	173	169	131	122	127
2015	Baltimore, MD	95	100	100	100	101	98	100	105	102	103	163	166	165	133	128	131
2016	Hartford, CT	95	100	100	100	99	101	100	105	107	106	160	170	165	130	132	131

**Historical Results** – The chart on the left displays the market basket results since 2007. In each year, Sam's was the control group and is represented by 100 (a base percentage by which to judge the other retailers). The rest of the data is above or below that baseline figure, depending on the percentage difference compared to Sam's Club.

**Costco and Sam's Club** – As can be seen from the charts, retail prices at Costco and Sam's Club are extremely close. Costco is 1% lower on the 57 food items (a difference of \$8.96), Sam's Club is 1% lower on the 38 general merchandise products (a difference of \$7.92) and Costco and Sam's Club are essentially even overall (although Costco is lower by just \$1.04). As can be seen from the historical chart, in terms of the food, non-food and overall pricing differential, since 2007, Costco and Sam's Club have consistently offered very similar pricing when comparing like branded items.

**BJ's** – Historically, BJ's food prices (compared to Sam's Club) have been 3% to 5% higher. BJ's food prices in this 2016 item basket analysis continue to be in that range at 5% higher (a difference of \$33.66). Historically, BJ's non-food prices (compared to Sam's Club) have been 2% to 4% higher. BJ's general merchandise prices in this 2016 item basket analysis exceeded that historical range and are 7% higher (a difference of \$39.46). The larger non-food differential caused BJ's overall pricing to be 6% higher than Sam's Club (a difference of \$73.12). The 2016 general merchandise and overall differential for BJ's compared to Sam's Club was the highest in the past ten years.

**Grocery Store and Supercenter** – When comparing the market baskets of all three clubs to the Stop & Shop grocery store and the Walmart supercenter, the price differences are significant and are consistent with historical results. In comparison to BJ's (the highest priced club operator), Stop & Shop's food prices are 55% higher, its general merchandise prices are 63% higher and its overall basket is 59% higher. In comparison to BJ's, the Walmart supercenter's food prices are 25% higher, its general merchandise prices are 25% higher and its overall basket is 25% higher.

**Savings and Membership Fees** – When comparing the overall market baskets at Stop & Shop and the Walmart supercenter to each warehouse club, it can be easily seen that BJ's, Costco and Sam's Club offer savings well in excess of the annual fee paid by their club members.

For example, BJ's adjusted food and non-food market basket total for all 95 items is \$1,288.64. According to our industry estimates, that represents approximately five months of club shopping. A typical club consumer, conservatively, will visit a location twice a month and spend \$125 per trip. Over the course of five months, a typical club consumer will spend approximately \$1,250.00.

In comparison to the Walmart supercenter, BJ's members can save, on the 95 items in this study, \$302.68 every five months or \$726.43 annually, almost seven-times the most expensive club membership option (a \$110 executive membership at Costco). In comparison to a Stop & Shop grocery store, BJ's members can save, on the 95 items in this study, \$714.28 every five months or \$1,714.27 annually, almost 16-times more than the most expensive club membership option. Although this is an exaggerated way of estimating the savings a club member can realize, it does reinforce the point that the savings members receive by shopping at a club instead of a grocery store or supercenter are real and significant.