

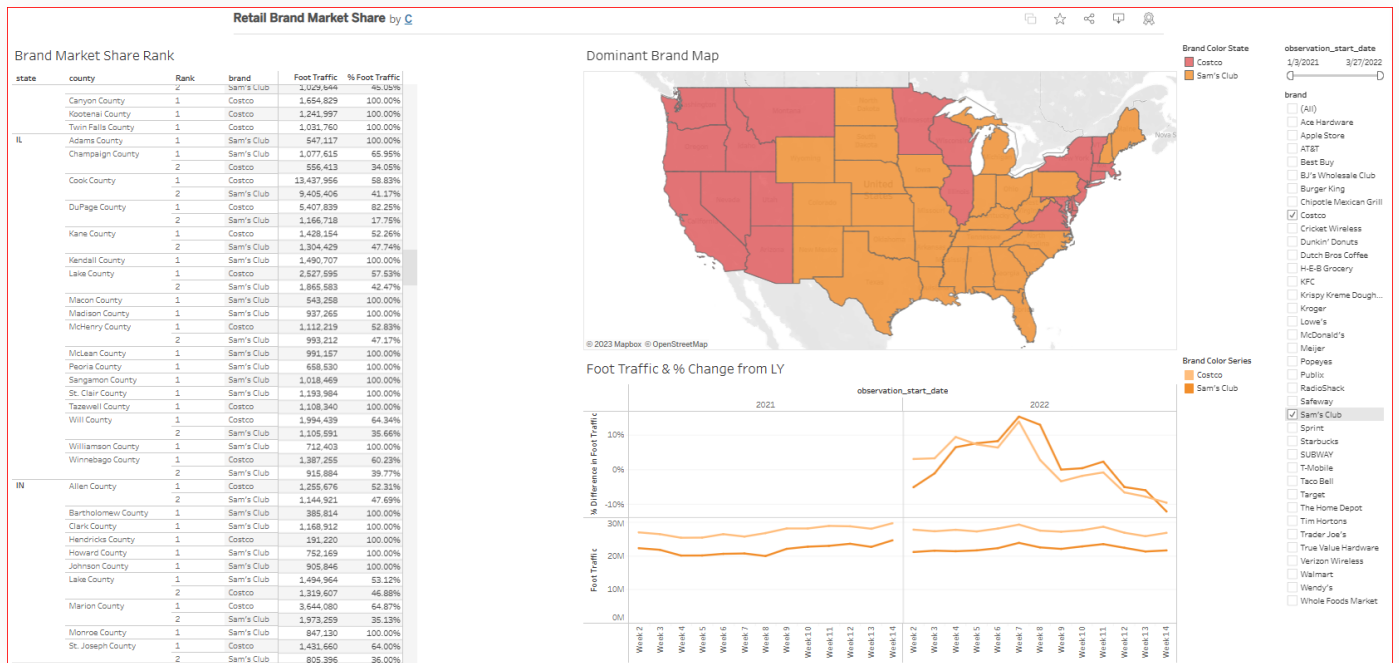
# Sam's Club vs Costco

They are both big box brands. One dominates the west, the other owns mid-America. In the east, the fight is on. Which can draw more 2023 foot traffic in major markets and smaller towns, and where will they go next?



Sam's Club vs Costco is largely a regional tale with limited, though significant skirmishes in both larger and smaller markets, depending on the strategic territorial lines each brand wants to defend and expand.

Costco owns the west and penetrates significant markets in the Great Lakes area and northeastern U.S., including New York. Sam's is middle America's brand of choice; that narrative continues through most of the south.



With appeal to a range of consumer profiles, both big box brands' plans for growth must revolve around their unique site location strategies. In each case, Sam's and Costco will need to adapt to continue their growth. But how and where?

To find out, we looked at visitation data from Q1 of 2021 and 2022 for each brand, with the objective of learning what to expect in Q1 of 2023 and beyond.

## Overview

While Costco locations own total national foot traffic ~5:4, and the brand tends to thrive around large, urban markets, Sam's Club excels in targeting cities with catchment areas below the threshold Costco normally invests in (call it <500k). Once you centralize on a median population mark of ~1 million, rugged competition between the two brands kicks-in.

A quick look at the map will tell you that Costco is strong in the west and in the big state markets of New York and Illinois. By contrast, Sam's Club dominates the center and south of the U.S., as well as parts of the Great Lakes region.

Let's zoom in now to examine how the two brands compete in overlapping markets, and what the data says about how each may grow their presence in 2023 and beyond. We'll start with a look at some key battlegrounds.



## Battleground

There's good battles throughout the map but we'll focus on the southeast and the Great Lakes region where the broader war for foot traffic coalesces in heated competition.

In **Florida**, Sam's Club wins the state market for total foot traffic by a factor of ~3:2, despite losing densely populated Miami-Dade, Palm Beach and Broward counties by as much as 4:1. Why? Because once population centers and catchment areas drop below the magic number, either Costco gets disinterested in the market, or the consumer gets disinterested in their brand. We see this in several mid-sized Florida counties and cities where Sam's wins, including Duval (Jacksonville), Hillsborough (Tampa), and Orange County (Orlando).

In **Georgia**, Sam's wins total visitation by ~3:2, but with a different pattern than in Florida. The state's largest markets are split, with Costco winning Cobb County (Marietta) and Fulton County (Atlanta), and Sam's claiming Dekalb (Atlanta-area) and pulling within 10% of Costco in the all important Gwinnett

County market, also in the Atlanta area. Costco is suspiciously absent in Henry County which seems to match their state and national site location profile.

In the **Great Lakes area**, Costco squeaks out wins in Minnesota (54%), Wisconsin (59%) and Illinois (52%), while Sam's comes out on top in Michigan (54%) and Ohio (61%). There are a lot of mid-sized cities in this region that often determine the state winners, including Minneapolis, Detroit and Columbus, OH.

It's not often considered a Great Lakes state, though it borders two of them, but **New York** is also Costco country. Costco has locations in Kings and Queens that Sam's is not interested in competing with. Costco is also uncontested in busy Nassau County (Long Island) and in smaller markets one might expect to see Sam's launch a challenge, including Onondaga County (Syracuse).

## Site selection interpretations

While Sam's Club specializes in smaller markets and Costco likes big ones, the two brands meet in the middle to compete for a number of mid-sized cities and markets. On the surface, there appear to be gaps in the marketplace each brand may be compelled to fill in 2023.

Costco may reexamine the lower boundary of its catchment area threshold in order to find new and developing mid-sized markets in the central and east of the country. Dayton OH, the Hudson Valley area outside NYC, and York County near the center of Pennsylvania all jump out.

Sam's Club may need to play defense in some of these same areas, and may look to open new sites of its own in more markets where Costco is simply going to choose not to play. If Sam's goes the route of lowering their own catchment area threshold, this could include a number of smaller cities (think <100k population) not currently served by either brand.

If you'd like to see county and city level views of this, or any of our other [brand performance index posts](#), please contact one of our friendly location intelligence experts today.

venue_id	brand_id	brand	brand
0004f58d-e75c-4a08-8050-44b99a2c3a5c	ff5f843-0c33-4055-88a3-9e880ca88a28	Hibbett Sports	Sporting Goods Stores
0005f079-884a-435a-9b-c7-2a684a4505a9	ff73679-ea48-405a-af0c-58eca816c39a	Ligier's Roadhouse	Full Service Restaurants
000835ff-0a55-4c27-a0-de-1288167c0c0d	ff6f6a0-4298-444a-af0c-12b0a8a3d52a	Starbucks	Limited-Service Restaurants
0009a2cf-1292-4c21-9111-5c0870a2a0f0	ff6a0d49-8837-4af9-af0c-8-43e916502a14	Mattress Depot USA	Furniture Stores
0009a779-4882-4021-8a5a-c808a4a958a8	ff3a92c-e021-492a-9c53-1029a9a9722	Encorepass Health	Offices of Physical, Occupational and Speech, Therapist, and Audiologists
0000d0cc-e85f-4133-9952-6ee0a8af62a4	ff018588-7a3e-479a-af0c-68-0398a3a0228	Red Robin Gourmet Burgers	Full-Service Restaurants
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0009a399-c7fa-4428-a060-0a588252237a	ff028a63-4296-45ab-af0c-e-529a60c3a14	Levi's	Men's Clothing Stores
0001355ff-ea51-4ae0-996a-25f02030007f	ff010951-8aa2-4ac0-90ae-e-676a478a008	U-Mail	Mail, UPS, FedEx, and 99 other international services, parcel and shipping
00013a87a-636a-4427-9a77-8a88a4a98a7	ff0a80a0-70a0-40a0-990a-1208a8a299	Pacific Dental Services (PDS)	Offices of Dentists