Marketing Doctor

Marketing Check-up

Costco

As of December 2, 2025

Condition: Healthy

The price promise members pay for

Costco asks its customers to pay before they shop, and most of them come back to pay again. As of December 2, 2025, it has 81 million paid members, a fee increase behind it and a renewal rate that has started to slip. This check-up looks at the promises that keep members paying: the membership itself, a hot dog price that has not moved since 1985 and one private label across about 600 products.

Key takeaways

- Costco raised its membership fee in September 2024 for the first time since 2017. Members kept paying, and the number of paid members rose 6.3%.
- Executive members, who pay more for a 2% reward, produced about 73.6% of worldwide sales. Exclusive shopping hours for them added about 1% to weekly U.S. sales.
- The $1.50 hot dog and soda combo, unchanged since 1985, and the single Kirkland Signature label carry the value promise.
- The U.S. and Canada renewal rate slipped to 92.3% from 92.9%. Management tied the dip to members who joined online, which makes it the number to watch.

Marketing health check

Area	Finding
Loyalty	Strong. 92.3% renewal in the U.S. and Canada.
Pricing	Trusted. First fee increase in seven years, and members stayed.
Distinctive assets	Strong. The $1.50 hot dog has held since 1985.
Private label	Strong. Kirkland Signature across about 600 products.
Acquisition quality	Watch. Online sign-ups renew at a lower rate.

Timeline

When	What happened
1985	The $1.50 hot dog and soda combo is introduced.
1995	Kirkland Signature launches.
2017	Costco raises its membership fee.
Dec 2023	A large Groupon campaign brings in online sign-ups.
May 2024	The new finance chief confirms the $1.50 hot dog price is safe.
Sep 1, 2024	The first fee increase since 2017 takes effect.
Jun 2025	Exclusive shopping hours for Executive members begin in the U.S.
Aug 31, 2025	The year ends with 81.0 million paid members and a 92.3% U.S. and Canada renewal rate.

What happened: a fee increase members accepted

Costco sells access before it sells goods, and the fee sits at the centre of its pricing strategy. In July 2024 it announced its first fee increase since 2017, raising the basic U.S. membership to $65 from $60 and the Executive membership to $130 from $120. Members kept paying. Paid members rose 6.3%, and the annual report counts 81.0 million paid members and 145.2 million cardholders.

The Executive tier does the heavy lifting. Its members earn a 2% reward and produced about 73.6% of worldwide sales. In June 2025 Costco gave them exclusive shopping hours in the U.S., and CEO Ron Vachris estimated the extra hours added about 1% to weekly U.S. sales. A perk that

rewards members for staying belongs in any customer retention strategy.

The diagnosis: three promises that hold

- **A price that never moves.** The hot dog and soda combo has cost $1.50 since 1985. Former CEO Craig Jelinek said: "When you think of Costco, you think of the $1.50 hot dog." In May 2024 the new finance chief confirmed the price was safe. We count it among Costco's most distinctive brand assets: every member who buys lunch sees a price that has held for 40 years.
- **One label that holds a standard.** Kirkland Signature, which turned 30 in 2025, covers around 600 products and around a third of Costco's sales, Grocery Dive reported. One name across that many products builds trust quickly. One quality failure would travel just as quickly.
- **A fee that feels earned.** Costco waited seven years between fee increases. Members see the savings on every visit, so a $5 increase did not drive them away.

The symptom to watch: who renews

Renewal is Costco's pulse. The U.S. and Canada renewal rate stood at 92.9% at the end of fiscal 2024 and 92.3% a year later, with the worldwide rate at 89.8%. The finance chief said the decline was largely due to more online sign-ups reaching their renewal date, and pointed to a large Groupon campaign from December 2023.

In other words, members who joined through a discount online renew at a lower rate than the base. The dip is small, but it is the first number we would put on a marketing KPI dashboard, split by joining channel.

The result: more members, paying more

In the year to August 31, 2025, paid members grew to 81.0 million, and the fee increase supplied about 40% of the growth in membership income. Canada, with 110 of Costco's 914 warehouses, grew comparable sales 8.3% excluding gasoline and currency, according to the company's year-end results. Members accepted a higher price and kept coming. The renewal rate is the one vital sign moving the wrong way.

Lessons for your marketing

1. Decide which promise you will never break, and keep it in plain view.
2. Raise prices rarely, and only when customers can see the value on every visit.
3. Reward your best customers for staying, not just for joining.
4. Judge acquisition campaigns by renewals as well as sign-ups. Split your marketing KPIs by joining channel.
5. A single private label builds trust fast. Protect its standard, because one failure travels just as fast.

The doctor will see you now.

Book a free marketing check-up at marketingdoctor.ca/contact. We'll examine your marketing, show you what's holding growth back and prescribe what to fix first.

Sources

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