Brand Doctor

Brand Check-up

Costco

As of December 2, 2025

Status: Healthy

Costco is healthy: members paid a higher fee and stayed, fixed price promises carry the brand, and renewal among online joiners is the one sign to watch.

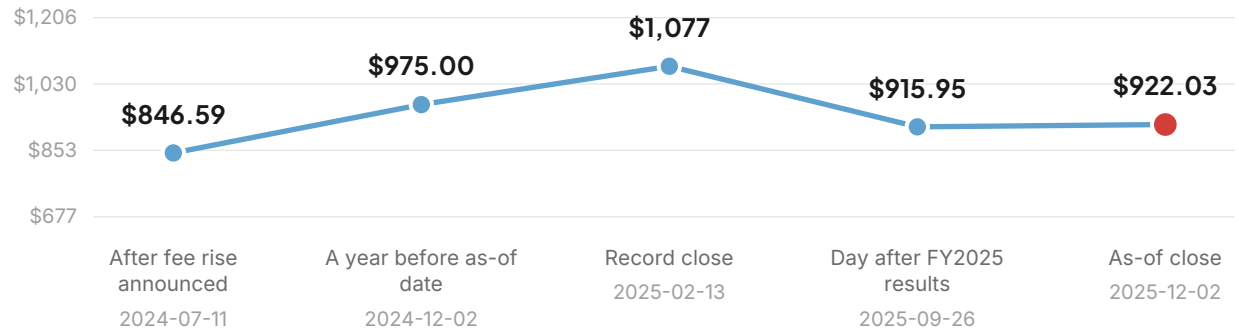
About this check-up

Brand Doctor reviews well-known brands the way we review a client's marketing: symptoms, diagnosis, treatment. This check-up uses public information available on December 2, 2025. It is brand and marketing analysis, not investment advice. Sources are listed at the end.

Vital signs

Share price

USD, at the dates shown [5, 8, 3, 2, 15, 4, 6, 1]



Share price

$922.03

Nasdaq close, December 2, 2025 [1]

Change from record close

-14.4%

Record close $1,076.86 on February 13, 2025; -5.4% vs $975.00 on December 2, 2024 [1, 2, 3, 15]

Market value (approx.)

About $409 billion

Our calculation: December 2 close x 443.2 million shares outstanding at September 30, 2025 [1, 7]

Fiscal 2025 revenue

$275.2 billion

52 weeks to August 31, 2025: net sales $269.9 billion (+8.1%) plus $5.3 billion in membership fees [6]

Renewal rate, U.S. and Canada

92.3%

End of fiscal 2025, down from 92.9% a year earlier; worldwide 89.8% [7, 12]

Paid members

81.0 million

End of fiscal 2025, up 6.3%; 145.2 million cardholders; 914 warehouses [6, 7, 13]

Timeline

1985	Costco introduces the hot dog and soda combo at $1.50. [10]
1995	Kirkland Signature private label launches; it turned 30 in 2025. [11]
2024-05	New finance chief Gary Millerchip confirms the $1.50 hot dog price is safe. [9]
2024-07	Costco announces its first membership fee increase since 2017: $65 from $60, and $130 from $120 for the premium tier, effective September 1. [8]
2024-09	Higher fees take effect; fiscal 2024 ends with a U.S. and Canada renewal rate of 92.9%. [8, 12]
2025-01	Shareholders reject an anti-DEI proposal, with 98% voting against. [14]
2025-02	Shares set a record close of $1,076.86 on February 13. [2, 15]
2025-06	Costco adds exclusive shopping hours for Executive members in the U.S. [13]
2025-09	Fiscal 2025 results: net sales up 8.1% to $269.9 billion; U.S. and Canada renewal rate 92.3%. [6, 7]
2025-12	Shares close at $922.03 on December 2, about 14% below the record close. [1, 2, 15]

Symptoms

- U.S. and Canada renewal rate down to 92.3% from 92.9% a year earlier.
- Worldwide renewal rate of 89.8% at the end of fiscal 2025.
- Share price about 14% below the February 2025 record close while sales and profit grew.
- Heavy reliance on one tier: Executive members produced approximately 73.6% of worldwide net sales.

Diagnosis

1 The membership fee is the profit engine

Membership fees were $5.323 billion in fiscal 2025, against net income of $8.099 billion. The September 2024 increase accounted for approximately 40% of membership income growth, and paid members still rose 6.3% to 81.0 million. [6, 7, 13]

2 Fixed prices carry the brand message

The hot dog and soda combo has cost $1.50 since 1985. In 2024 the new finance chief confirmed the price is safe, and a former CEO said that when people think of Costco, they think of the $1.50 hot dog. [9, 10]

3 One private label holds the quality promise

Kirkland Signature accounts for around $86 billion in annual sales, around a third of Costco's total, across around 600 products. The company expects to keep raising private-label penetration, so the label's standing and Costco's standing are increasingly tied. [7, 11]

4 Online sign-ups renew less often

The U.S. and Canada renewal rate eased from 92.9% to 92.3% over fiscal 2025. The finance chief attributed the decline largely to online sign-ups entering the renewal rate and pointed to a large Groupon campaign from December 2023. [7, 12, 13]

Prognosis

Costco enters fiscal 2026 in good health. Sales, profit and paid members all grew in fiscal 2025, and the fee increase passed without a visible loss of members. Management plans to open 35 warehouses in fiscal 2026, five of them relocations. We would watch four things: whether the U.S. and Canada renewal rate steadies as recent online cohorts pass through the calculation, whether

exclusive hours keep driving Executive upgrades, how tariffs affect shelf prices, and whether the $1.50 combo holds. The share price has fallen from its February record. The brand vitals have not followed it.

Treatment

- Keep the $1.50 combo and other fixed price anchors unchanged, and manage them as brand assets with the same care as the name.
- Give online joiners a clear path to value in their first year, so the benefits are proven before the first renewal comes due.
- Report renewal by acquisition channel and drop sign-up promotions whose members do not renew.
- Hold Kirkland Signature to one visible quality standard, because a single name across about 600 products means one lapse touches all of them.

Lessons for growing companies

Charge for access only if access pays back

A fee works when customers can see what it returns. Costco waited seven years between increases, and paid members still grew 6.3% after the last one.

Pick one price you never move

A small, fixed price on a familiar item says more about your pricing than a campaign can. Choose it with care, because breaking it will cost more than keeping it.

Judge acquisition by who renews

Promotional sign-ups lift the count now and can weigh on renewal later. Track retention by channel before you scale a promotion.

Sources

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15 Costco: 40 year stock price history (dividend-adjusted series; cited only for the date of the all-time high close, February 13, 2025; the $1,076.86 actual close is from source 2). Macrotrends, 2025-02-13. https://www.macrotrends.net/stocks/charts/COST/costco/stock-price-history

About Brand Doctor

Brand Doctor is a marketing strategy consultancy founded by Cliff K. F. Lin. He has spent 17 years in marketing and managed more than $30 million in spend for SaaS, tech and lead-generation companies.

A Brand Check-up applies the method we use with clients to a well-known brand: the symptoms you can see from outside, the root causes behind them, and the treatment we would prescribe. For your own company, we look at six areas (positioning, messaging, customer journey, channel mix, budget and spend, and measurement) and rank what to fix first.

$30M+	135+	8×	17
In marketing spend managed	Campaigns treated	Growth achieved	Years in marketing

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