

# Costco increases membership fees for the first time in four years

## Description

Costco recently announced an increase in membership fees for the first time since 2017. Starting September 1st, annual membership fees for Gold Star, Business, and Business add-on members in the United States and Canada will rise to \$65 from \$60. Executive members will see an increase from \$120 to \$130 per year. This adjustment will impact 52 million members, with a majority being Executive members who can receive rewards of up to \$1,250.

Despite the current economic climate, Costco has kept prices low, but the company felt it was time to adjust membership fees. According to UCLA Anderson School of Management professor, Felipe Caro, this change will enhance the perceived value of membership. Following the announcement, Costco's stock price increased by over 2.5 percent.

While this fee increase may affect Costco's ability to attract new customers, Dinesh Gauri, a marketing professor at the University of Arkansas, believes that Costco has not introduced any new services to justify the increase. This could lead some customers, especially newer ones, to consider shopping at competitors like Sam's Club, which also raised its membership fees recently.

Gauri also noted that retailers like Target and Kroger, which do not require memberships, have improved their pickup and delivery options, offering alternatives to Costco. Ultimately, the impact of the fee increase on Costco's customer base remains to be seen.

## Vocabulary List:

1. **Membership** /'mɛm.bər.ʃɪp/ (noun): The state of being a member of a group or organization.
2. **Adjustment** /ə'dʒʌst.mənt/ (noun): A small alteration or movement made to achieve a desired fit appearance or result.
3. **Perceived** /pər'si:vd/ (adjective): Regarded or interpreted in a specified way.
4. **Attract** /ə'trækt/ (verb): To draw or pull towards oneself or itself.
5. **Competing** /kəm'pi:.tɪŋ/ (verb): To strive to gain or win something by defeating or establishing superiority over others.
6. **Impact** /'ɪm.pækt/ (noun): The action of one object coming forcibly into contact with another.

## Vocabulary quizzes

**Multiple Choice ( Select the Correct answer for each question. )**

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1. Which term refers to the introduction of something new or making changes to existing products or processes?

- Option: Donated
- Option: Innovation
- Option: Liquidation
- Option: Drawdown

2. What do you call a person who seeks to promote the welfare of others typically through donations of money resources or time?

- Option: Fortune
- Option: Philanthropist
- Option: Trustees
- Option: Gratitude

3. Which term refers to a particular point in events or time?

- Option: Reimbursements
- Option: Juncture
- Option: Liquidation
- Option: Drawdown

4. What term refers to being a part or belonging to a group or organization?

- Option: Adjustment
- Option: Perceived
- Option: Membership
- Option: Competitors

5. In the context of cryptocurrency what do we call people who hold onto their coins rather than selling them?

- Option: Depth
- Option: Navigates
- Option: Hodlers
- Option: Investment decisions

6. Which term describes a sudden and significant increase in something?

- Option: Increase
- Option: Membership
- Option: Surge
- Option: Threshold

7. What term refers to different options or choices that can be selected among?

- Option: Rapid
- Option: Liquidation

Option: Alternatives

Option: Correction

8. Which term refers to a small change or modification to a plan or process?

Option: Examination

Option: Adjustment

Option: Competitors

Option: Influence

9. What term is used to describe the process of converting assets into cash?

Option: Partnership

Option: Significance

Option: Liquidation

Option: Drawdown

10. Which term describes something happening quickly or in a short amount of time?

Option: Halted

Option: Committed

Option: Rapid

Option: Modest

**Gap-Fill ( Fill in the blanks with the correct word from the vocabulary list. )**

11. The company made \_\_\_\_\_ for future contingencies.

12. The stock market saw widespread panic selling a sign of \_\_\_\_\_ by investors.

13. She was on the \_\_\_\_\_ of making a decision that would change her life.

14. After the recent surge a \_\_\_\_\_ in prices was expected by analysts.

15. The company announced an \_\_\_\_\_ in profits for the quarter.

16. The board of \_\_\_\_\_ oversees the management of the charitable foundation.

17. She expressed her \_\_\_\_\_ for the support she received during difficult times.

18. The company \_\_\_\_\_ a large sum of money to the local charity.

19. There has been a noticeable \_\_\_\_\_ in demand for the product.

20. He built his \_\_\_\_\_ through successful investments and business ventures.

**Matching Sentences ( Match each definition to the correct word from the vocabulary list. )**

21. Her mentor her decision to pursue a career in medicine.

22. The two companies formed a strong to collaborate on the new project.

23. The investment fund experienced a significant due to market fluctuations.

24. The company faces stiff competition from several industry .

25. Despite his success he lived a lifestyle.

26. The discovery of a new species of plant held great for botanists.

27. The detailed of the financial statements revealed discrepancies.

28. She was deeply to improving the well-being of the community.

29. The project was on the of completion when a major setback occurred.

30. The experienced sailor easily through rough waters.

## Answer

**Multiple Choice:** 1. Innovation 2. Philanthropist 3. Juncture 4. Membership 5. Hodlers 6. Surge 7. Alternatives 8. Adjustment 9. Liquidation 10. Rapid

**Gap-Fill:** 11. Provisions 12. Capitulation 13. Threshold 14. Correction 15. Increase 16. Trustees 17. Gratitude 18. Donated 19. Increase 20. Fortune

**Matching sentence:** 1. Influenced 2. Partnership 3. Drawdown 4. Competitors 5. Modest 6. Significance 7. Examination 8. Committed 9. Threshold 10. Navigates

## CATEGORY

1. Business - LEVEL4

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