

DEFENSE COMMISSARY AGENCY HEADQUARTERS 1300 E AVENUE FORT LEE, VIRGINIA 23801-1800

MPS

December 10, 2014

NOTICE TO THE TRADE - DeCA NOTICE 15 - 04

SUBJECT: Commissary Value Brand Program Implementation

The purpose of this Notice to the Trade (NTT) is to inform Industry that DeCA is presently executing an improved savings program worldwide, the Commissary Value Brand Program. All commissaries have received orange "Value" signs to affix to designated Value Brand items; see attached. They have also received marketing kits to assist in promoting this program inside the store and all of the commissary employees are now briefed and familiar with this program as of the first of December. In some of our overseas locations, Value Brand pricing will not be effective until these negotiated priced items arrive mid-December. Our priority right now is to inform all our employees and customers worldwide about this savings program. Please see attached FAQs (frequently asked questions).

During the initial implementation of this program, some stores have reported that there have been Industry "Every Day Low Pricing" signs being placed on top of the Value signs (see attached photos). Please note that Value signs have priority in all our commissaries. Please refrain from posting your sales promotion sign if there is already a Value sign posted. Value signs will always have priority over any other promotional signs in the commissaries. We appreciate your cooperation in this matter and request your assistance in getting the word out to all of your sales representatives.

Our communications plan is in full force: The press release was distributed in November; the Value Brand web page on www.commissaries.com is activated; radio spots are being broadcast in all stateside stores, and on AFN-radio and TV overseas; and our social media outlets have posted messages about this program. Anything you can do as our Industry partners to assist us in promoting this significant program would be a tremendous boost to our sales efforts.

If you have any questions pertaining to this Notice to Trade please contact Sallie Cauthers, Marketing and Mass Communication Specialist, (804) 734-8000, extension 48769; sallie.cauthers@deca.mil.

Tracie Russ

Director of Sales



Everyday Savings

XTRA EXTRG LIQ EX TROPL PASSN I

\$3.99

Everyday Low Price

DeCA

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Media talking points for Commissary Value Brands

- Why did DeCA decide to roll out a Commissary Value Brand program?
 DeCA re-engerized our Commissary Value Brand program to respond to a growing demand for private label and value-priced products similar to what's offered in commercial grocery stores.
- 2) How many products are in the Commissary Value Brand program? We selected about 300 products across 33 categories; however, we will continue to expand into categories where it makes sense.
- 3) What are the criteria for products being in the Commissary Value Brand program? Value Brands items must provide the most consistent, quality, everyday low price for a minimum of six months that is equal to, or better than, store or private label brands found in commercial supermarkets.
- 4) How were the products selected?

Value Brand items were selected based upon meeting the criteria that they had a lower price than the equivalent store/private label item (formulation and size) and based on categories with a strong store/private label presence in retail.

- 5) What categories do the products come from?
 - Shelf Stable Vegetable, Shortening and Oils, RTE Cereal, Hot Cereal, Canned Fruit, Canned Soup, Canned Fish, Coffee, Soft Drinks, Household Laundry Bleach, Laundry Detergent, Food Storage and Wraps, Disposable Bags, Food Storage and Lunch Bags, Facial Tissues, Toilet Paper, Paper Napkin, Butter, Margarine and Spread, Pain Relief, Upper Respiratory Medicine, Stomach Upper G.I., Disposable Diapers, Olives, Jam and Jelly and Preserves, Pasta Sauce, Pickle and Relish, Catsup, Mayonnaise, Mustard, Peanut Butter, Dog Food, Cat Food, Disposable Dish, Household Cleaning, Dish Detergent, Frozen Waffles and Pancakes, Ice Cream, Frozen Pizza, Frozen Vegetables, Frozen Entrees, Hot Dogs, Bar and liquid Soap, Shampoo and Conditioners.
- 6) Will the Commissary Value Brand program be limited to the original product assortment?
- 7) The number could fluctuate up and down depending on brand/item performance, specifically at the six-month review timeframe as DeCA will be evaluating the program to make sure items are competitively priced and relevant to our patrons.

8) Why might a store or private label item be priced lower than a DeCA Value Brand?

Under the program, Value Brand items were compared and found to be cheaper in price compared to the average price of store/private label brand across the entire United States. Therefore, an individual store or private label item could found to be cheaper in one region of the country, or at a specific location, at a particular point in time. It is also possible that a retailer could be offering their store or private label item on temporary price reduction or on promotion at a cheaper price than the DeCA Value Brand item. However, Value Brands items are priced to be consistently lower than the temporary price decreases that may be seen since prices will remain in effect for 6 months or more.

9) How will Commissary Value Brand items be identified?

Value Brand items will be identified at the shelf with an orange label with the word "Value". In addition, stores will have banners, posters, and other media announcing the program.

10) How can patrons find out about these items before they visit a commissary? Whenever possible, a list of Commissary Value Brand items will be uploaded to commissaries.com and on social media.