PS February 25, 2011

NOTICE TO THE TRADE – DeCA NOTICE 11-37

SUBJECT: New Promotional Sign Program

The Defense Commissary Agency (DeCA), in conjunction with the Commissary Council's Promotions Subcommittee, has developed a new promotional sign program. The goal of this program is to create a new promotional sign program that more effectively communicates DeCA's message of the benefit: "Value and Savings." The new program will consist of three types of signs: "Extra Savings," "Everyday Savings," and "Hot New Item." There will be four sign sizes to include small, medium, large, and extra large. These signs will have a complete new look with great graphics and eye catching colors. They will also have a revamped version of the information provided to include item name, sale price, cents off, item nomenclature and item UPC code for the "Extra Savings" signs; and everyday savings price, item nomenclature and item UPC code for the "Everyday Savings" signs. The last sign will be the "Hot New Item" sign that will identify new items that have been added to the store stock assortment in the last 90 days. The new signs will be printed on a vinyl material which is far superior to current paper card stock. It is much more durable and moisture resistant. This vinyl coated signage is available in the civilian marketplace and works well with DeCA's initiative of converting to Electronic Shelf Labels (ESL).

Some additional benefits:

- Enhancing shopper experience New fresh, clean looking signs for the entire promotional period.
- Shopper retention More effectively communicates manufacturer promotions and everyday savings.
- Sign shelf life Durability to stay up the entire time of promotion.
- Sign clutter Removes shelf clutter and waste (e.g., ties, clips, arrows, and tape).
- Perishables Works very well within chill and freeze display areas with moisture.
- Labor savings Reduces labor of having to replace signs at store level.
- Sales and savings increases Better message results in more sales volume.
- Industry standard Easily available to manufacturers, brokers, deli, bakery, produce, and seafood contractors.

Timeline for industry to transition into the new sign requirement:

- New signage can be utilized immediately.
- Old card stock can be used until June 1, to exhaust inventory.
- After June 1, all Industry supplied signage must be the new sign format and meet the requirements as specified in this Notice to the Trade (NTT).

• All store departments will conform to this new sign format to include grocery, meat, produce, deli, bakery, sushi, and seafood. Contractors operating some of these departments will also comply with these guidelines.

The three types of signs have been made into templates and are available for use by Industry as follows:

- Extra Savings Industry may utilize the "Extra Savings" (red) sign for items that are listed in the promotional package.
- Everyday Savings Industry may utilize the "Everyday Savings" (yellow) sign for items that are under an "every day low price" (EDLP) pricing structure and offer a great savings every day. These items may or may not be listed in the promotional package.
- Hot New Item Items added within the last 90 days.

The "cents off" listed on the "Extra Savings" sign will be determined by subtracting the sale price from the DeCA regular price which is the highest price the item was sold at in the commissaries over the past 52 weeks. It is critical that Industry reflect the DeCA regular price for that item. Utilizing the "supply bulletin" price or an inflated price only jeopardizes the image that DeCA is trying to convey to our customers. In order to utilize this sign, the sale price must have a minimum of 20 percent off the DeCA regular price for that item. See attached sample and specifications.

The small and medium sized signs should be placed over the regular shelf labels or ESL. The clear strip at the top of these new signs should be applied over the regular shelf price strip so the sign does not interfere with the regular price labels or ESL. The large signs which can be coated paper stock should be placed under the product to the left hand side of shelving on end caps. Extra large signs should be placed in the middle of large displays or pallets of products.

Industry signage must adhere to the following specifications to include utilizing the attached PDF templates (please carefully review the attachment):

- Sign Stock: Vinyl for small and standard size signs and vinyl or coated paper card stock for large and extra large size signs.
- Ink Color: The brand, item name, the item sale price or EDLP, the cents off, item nomenclature, promotional pricing dates, and item UPC code must be in black ink.
- True Type Fonts: "Arial Bold" has been selected for all variable information (item name, nomenclature, item sales price, EDLP, cents off, promotional pricing dates, and item UPC).
- Shelf Sign Size: Extra large (11- x 7-inches) 1 to a sheet; large (7- x 5½-inches) 2 to a sheet; standard (3¾- x 3¾-inches with 1¼ inch clear strip at the top of the sign) 6 to a sheet; and small (2.075- x 3¾-inches with 1⅓ inch clear strip at the top of the sign) for health and beauty care and new items 10 to a sheet. All using standard 8½- x 11-inches vinyl stock or coated paper card stock for the extra large and large size signs.

These new sign templates are DeCA proprietary property and are intended to be shared with Industry for the sole purpose of printing promotional price signs for display in the commissaries under DeCA specifications. The graphics, color schemes, and information on these signs cannot be changed. Additional brand or logo information cannot be added or commingled with DeCA information on these signs. These templates must be utilized exactly as intended and cannot be altered in any way without permission of the Marketing Business Unit (MBU). Additional merchandising material to include banners, posters, danglers, and theme sale decorations utilizing these new templates must be approved by the MBU.

Signs are an extremely valuable tool when professionally prepared and used to attract the patron to shelf locations or displays to purchase product. Through the use of DeCA's exciting new standardized sign program, Industry and DeCA will ensure an image of value and savings to our commissary customers that will increase sales. We wish to thank Industry members for their ideas and hard work in making this new promotional sign program a reality.

My points of contact on issues relating to the contents of this NTT are Mr. Charlie Dowlen, Promotions Manager, 804.734.8000, extension 4.8385, or charlie.dowlen@deca.mil; or Ms. Michelle Frost, Chief, Semi-Perishable Division, 804.734.8000, extension 4.8696, or michelle.frost@deca.mil.

//signed//
Thomas E. Milks
Deputy Director

Attachments: As stated