

DEFENSE COMMISSARY AGENCY

HEADQUARTERS 1300 E AVENUE FORT LEE, VIRGINIA 23801-1800

MP September 1, 2021

NOTICE TO THE TRADE – DeCA NOTICE 21-102

SUBJECT: Valued Supplier and Distributor Partners – Request Your Continued Support!

The purpose of this NTT is to share the Defense Commissary Agency's ongoing initiatives starting September 2021 and seek your help: (1) amplifying these initiatives via the marketing and promotional vehicles you have at your disposal (2) ensuring the supply chain is agile enough to meet increased demand. None of the events associated with this will cause a sudden surge, but we are hopeful it will begin a steady increase of foot traffic into the commissary.

Our WHO: Our primary targets are patrons who are infrequent, or lapsed shoppers to our commissaries.

The WHAT: We have identified messages that will resonate with this group. Over recent years and also confirmed by recently completed research, our valued and eligible patrons have indicated that the key reason for not shopping in the commissaries is convenience; defined a number of ways including distance, lack of ecommerce or not being able to find the products they want to buy. The second barrier is a full understanding of the 23.7 percent benefit savings to our customers.

RELEVANT initiatives:

- Addressing convenience: To increase accessibility to the commissary benefit, we have brought our shelves to our patrons. We will complete the rollout of Commissary CLICK2GO to all 178 CONUS locations by the end of September and all stores by the end of December. In addition, the entire organization has been focused on keeping our shelves full. Since March, our DAX-measured in-stock levels have improved by over 40 percent, driven by operational focus on accurate balance-on-hand inventory, SKU simplification, plan-o-gram compliance and better line-fill performance.
- Addressing an understanding of the benefit: We are enhancing the benefit by lowering retail prices on thousands of items, most notably on items our patrons need most, their known value items (KVIs). In addition, our commissary cash registers will quantify the amount of patron savings on the receipt under "Your Commissary Benefit has saved you up to ..."
- Major price reductions: We have lowered prices even further on tens of thousands of products, with focus on known value items to attract patrons back into our stores and increase additional products in their baskets.

Attached you will find:

- 1. An Open Letter to Eligible Patrons from DeCA Director and CEO, Mr. William Moore.
- 2. Promotion material focused around Commissary CLICK2GO, the benefit savings and everything the commissary has to offer.

These messages were created to be synergistic with the "Come Home to Savings" theme.

The HOW: We will get that message in the hands of more non-shopping, eligible patrons than ever before: DeCA's current communication vehicles do a great job reaching our loyal and frequent shoppers and we will continue to do that. But, the biggest game-changer is how we will communicate to all our eligible patrons.

For the first time, we will be utilizing a broad assortment of print, newspaper, magazine, banner and electronic media to get our message outside the gate. Our first-out-the-gate campaign will be via Stars & Stripes. We have allocated hundreds of thousands of dollars to this effort. Our minimum reach will focus on close to three million non-shopping eligible patrons with at least three messages during the initial September – December period. Other efforts underway should see us explode both reach and frequency.

What we need from you: I ask that you leverage your resources, individually and collectively to amplify our key messages leveraging the material we have prepared. More importantly, support our initiatives by preparing for the anticipated increase in volume in the next couple of months. The patron experience, trial and loyalty, starts and ends with full shelves!

Points of contact for these initiatives are Mr. Norman Brown (<u>norman.brown@deca.mil</u>) for possible distribution of print media to our eligible patrons and Ms. Bonita Moffett (<u>bonita.moffett@deca.mil</u>) to generate promotions' appeal and excitement.

Thank you for your continued support!

Christopher T. Burns Executive Director, SES Sales, Marketing and Logistics