





Corporate Branding & Image Program



### **Corporate Branding Objectives**

### Goals:

- Align with our corporate strategy
- Express our corporate personality
- Convey our uniqueness in the industry
- Convey our relevance to our customer
- Create a tangible, timeless and emotional connection with our customers
- Align with our corporate strategy

### Impact:

- Increased, more frequent, repeat customer traffic
- Stronger sense of pride and connection to the Exchange
- Enhanced emotional connection to the Exchange
- Increased sales and earnings/generate greater dividends
- Making the Exchange our customers' first choice in all their buying decisions













**EBX PX** 



**ZBX**tra





























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LANE BRYANT















CACIQUE















LENSCRAFTERS





























# It is all about customers!

### Customers

- > Site visits 17 installations worldwide
- Store sensing sessions
- Online sensing sessions

### Stakeholders

- Internal sensing sessions
- Historical strategies and results



### "The Exchange"

Because that is what we have been called by our guests and shoppers for over 100 years!







The Exchange is here for you-Outfitting Your Life: your work life, family life and active life.



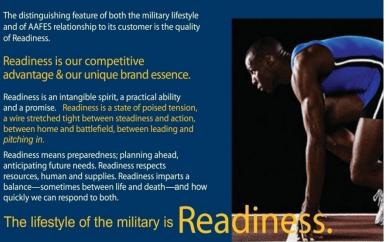
### **AAFES Core Essence**

The distinguishing feature of both the military lifestyle and of AAFES relationship to its customer is the quality of Readiness.

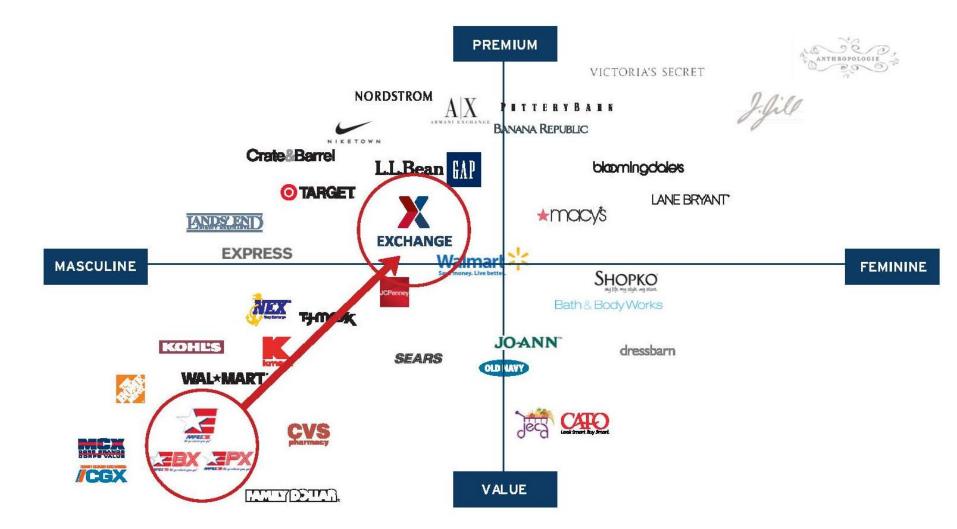
Readiness is our competitive advantage & our unique brand essence.

Readiness is an intangible spirit, a practical ability and a promise. Readiness is a state of poised tension, a wire stretched tight between steadiness and action, between home and battlefield, between leading and

Readiness means preparedness; planning ahead, anticipating future needs. Readiness respects resources, human and supplies. Readiness imparts a balance—sometimes between life and death—and how quickly we can respond to both.



The identity is intended to be consumer facing and convey the brand values and mission











aafes









### **New Corporate Logo**

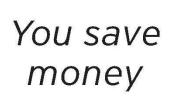


# EXCHANGE SERVICE



### New Tag Line

### "The Exchange"







We give back to the community

### YOU SAVE MONEY X WE GIVE BACK (









### **Online Worldwide Sensing Survey**

### New Logo:

- 76% rated logo "Neutral" to "Significantly better" than current logo
- Positive language included "military," "no tax," "affordable," "one-stop shopping," "value," and "modern"
- New logo engenders the meaning of the Exchange
- New Slogan: YOU SAVE MONEY X WE GIVE BACK 
  84% rated the slogan neutral to inspiring
- Exterior Signing
  - Positive language includes "military," "one-stop shopping," "modern," and "stylish"
- In-Store Departments: Rated "significantly better" than current
  - > Athletic- 69%
  - Customer Service- 65%
  - > Furniture- 64%

- Power Zone- 63%
- Entry Zone- 61%
- Jewelry- 54%
- Website: 87% rated the proposed website as good as or better than the current site







Food Court Entrance



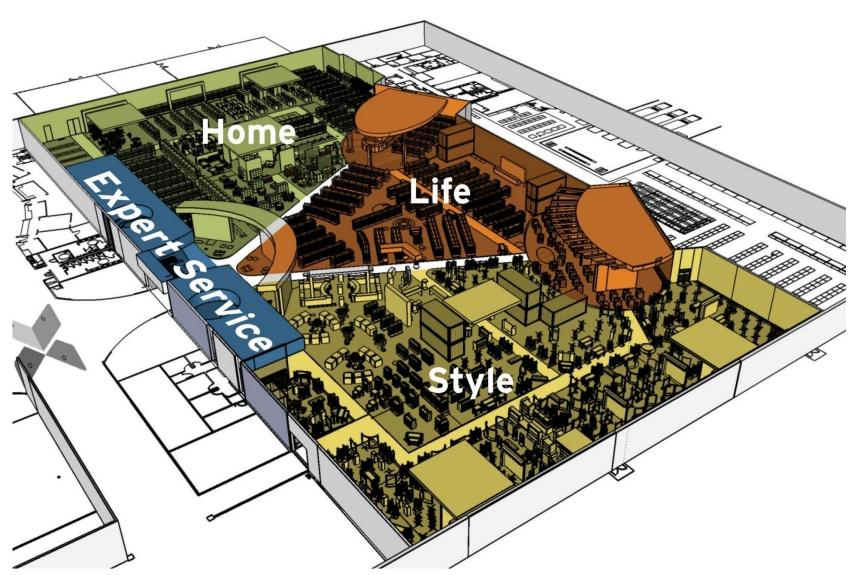


















### **Tinker AFB**





### **Customer Service**







### **PowerZone**







### **Be Fit**











### Home







### **Local MWR Programs**



Customer Service

### **Tinker AFB**

















## **EXCHANGE** Central Checkout







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**EXPRESS** 

Unleaded

Midgrade

ATM SE ICE

# **Tinker AFB Express**







### **Military Clothing**









# **EXCHANGE** Anthony's Pizza





### **Exclusive Brands Redesign**

### Exclusive Brands Rollout:

- 2010- Exchange Select, Patriot's Choice, Simply Perfect
- 2011- PBX Basic, PBX Pro, JW, Junction West, Decoded, Passports, Gumballs, R&R Casuals, Big Sky Outfitters



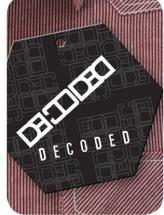




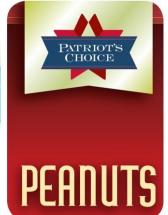
















### **EXCHANGE** Completed Branded Projects

Tinker AFB: Sept 2010

- Main Store
- Shopping Center
- Express
- Military Clothing

### **2011** projects:

- > Ft. Irwin Military Clothing
- > Eglin AFB- 7<sup>th</sup> Special Forces
  - Military Clothing
  - Express
- Barksdale AFB Military Clothing
- Hawaii Paradise Express
- Shaw AFB Military Clothing
- > Ft. Riley:
  - Furniture Store
  - Express
  - Military Clothing





### **Upcoming Branded Projects**

- 1st/2nd Qtr 2012 Brand Openings
  - Travis AFB- Projected Opening 4 May 2012
  - > Ft. Bragg North- Projected Opening 18 May 2012
  - USMA- Projected Opening 10 June 2012
- 2012 Image Upgrades w/approved core branded elements
  - Osan AB
  - > Ft. Stewart
  - Sheppard AFB
- **Express-** 32 Locations
- Military Clothing- 7 Locations
- **Class Six-** 2 Locations

- > Ft. Eustis
- Robins AFB











### **EXCHANGE** Branding – Growing The Business



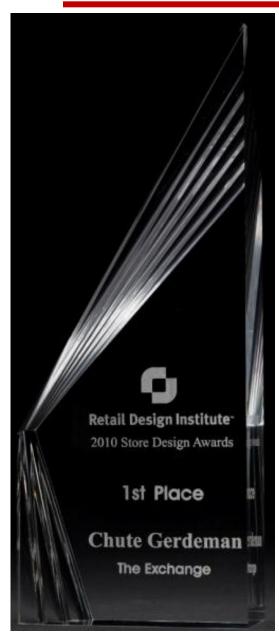


### Corporate Master Branding

- Provide Brand continuity to clearly identify all Exchange Businesses
- Execute standards in signing and advertising programs
- Provide Expert Customer Service
- Provide a unified customer experience regardless of Exchange location or business
- Reduce the cost of branded graphic components and improve economies of scale
- Provide value engineering to branded materials, graphics and fixtures while maintaining brand integrity



### **Tinker AFB Design Awards**





### **Design Awards**

- > RDI: 1<sup>st</sup> Place, Large Format Store
- Chain Store Age: Store of the Year
- GlobalShop: 1<sup>st</sup> Place, Mass Merchant



# Advertising



- ✓ Branded:
  - Exchange Logo
- ✓ Value:
  - Tax Message
  - Savings
- ✓ Revenue
  - Seeking Limited SKUs that generate significant earnings





### **One Store**

- **✓** Offerings/Density
  - Promotional
  - EDLP in the mix
- ✓ Multi-channel
  - shopmyexchange.com integrated throughout





### ✓ Drivers and Passengers







### **QR Codes**

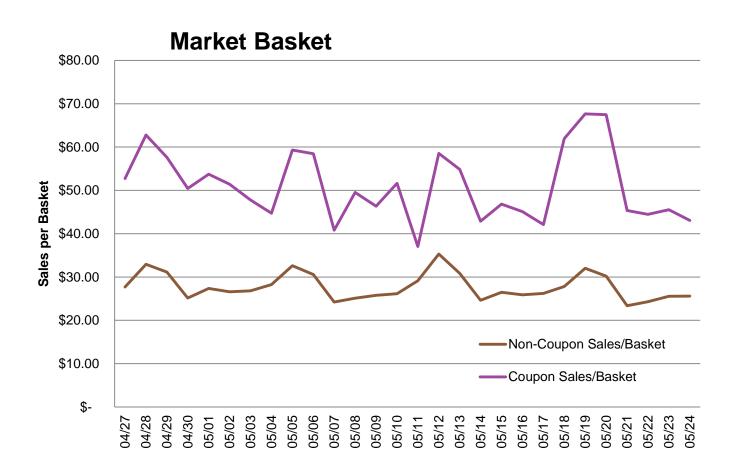




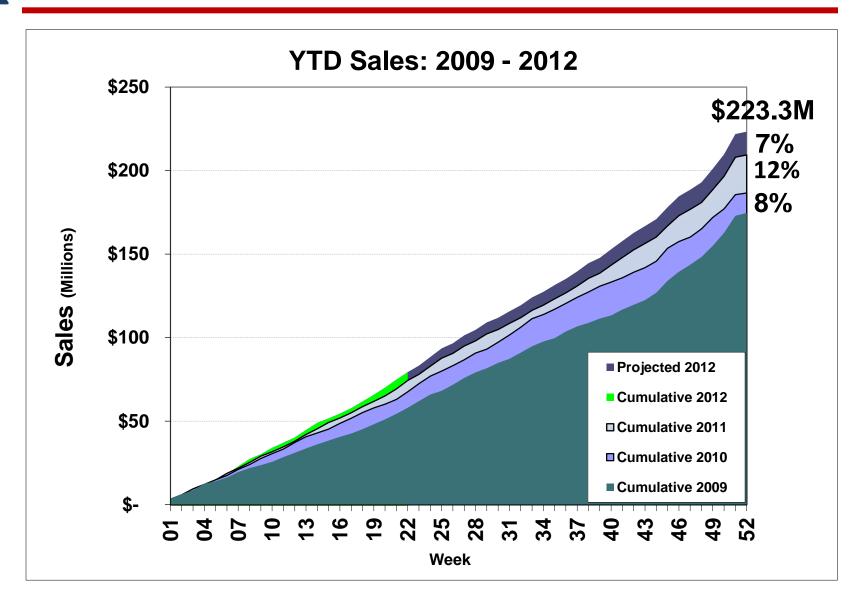
# EXCHANGE Quarterly Coupon Books



# **Coupons Drive Sales**



## **Sales Promotion Metrics**





# MILITARY STAR®



# **MILITARY STAR® Card**

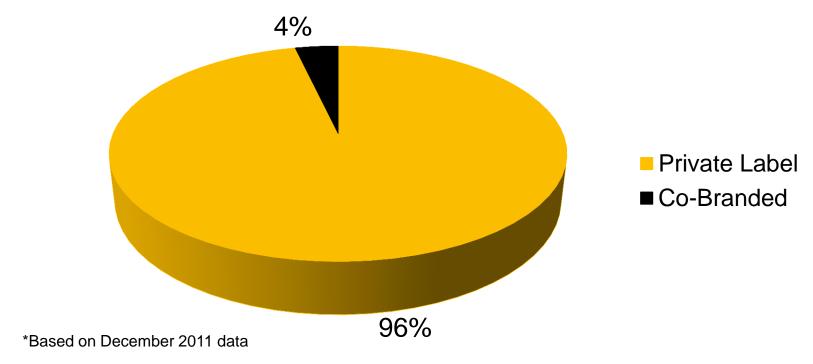
# Mission Statement

To be our customer's <u>FIRST CHOICE</u> in credit by providing valued credit products, encouraging patronage of our retail stores and generating sufficient earnings to add value to Exchange.





# Percentage of Private Label and Co-Branded Cardholders



Private Label Cardholders: 1,949,428

Co-Branded Cardholders: 73,474

Total MILITARY STAR® Cardholders: 2,022,902



## **MILITARY STAR® Card: Statistics**



Average 1<sup>st</sup> day's purchase: \$437

Average MILITARY STAR®

purchase: \$62

Average Exchange purchase: \$31

ITEMS 3 YTD Apr 12





## MILITARY STAR® Card: Statistics

### 6-Months

5% of sales

### 9-Months

7.5% of sales

### 12-Months

• 10% of sales

### 18-Months

15% of sales

### 24-Months

20% of sales





## **Benefits to Vendors**



**Tabloid Ad** 

\$469/Sq. Inch



22 x 28 Poster

\$10.40/Piece



Laser Statement Ad

\$5,000



**Buddy List** 

\$400



Internet Flash Banner

\$2,500



**PIN Pad** 

\$2,500

# INCLUDED WITH PROMOTION



## MILITARY STAR® Card Advertising





# PAY NO INTEREST AND MAKE NO PAYMENTS FOR 12 MONTHS

on any Dell purchase of \$499 or more with your MILITARY STAR® card.



Offer valid February 3 - 9, 2012 on Dell Specialty Store and Dell computer purchases from shopmy exchange.com only.

Debutes purchases from the Esthange, Dechange Catalog, the Esthange Online Mail and Concessionaires.

We not valid as REILITARY STARY Rewards MasterCook\* line of could! Motivalid at MEE, CHE and MAIL stores. PARTER.

10.24% APL system to Retail Mars Perchanes; and variable 18.24% APL system to Retail Mars Perchanes; and variable 18.24% APL system to alpha to come typic to mars yearly to mars premarkaned positions and, after primarkane



PAY NO INTEREST AND MAKE

NO PAYMENTS FOR 12 MONTHS on any Sharp electronics purchase of \$499 or more when you use your MILITARY STAR\* card.



SHARP

# PAY NO INTEREST AND MAKE NO PAYMENTS FOR 12 MONTHS

on any Kenmore appliance purchase of \$599 or more with your MILITARY STAR® card.



Offer valid March 3:O-April 5, 2012 at your Exchange, Exchange Catalog or shopmyexchange.com. Excludes purchases from the Exchange Online Mail, Specially Stores and Concessionaires. Offer not valid on MILITARY STAR® Newards MasterCard® line of credit. PL® 42383 Notvalida th NEX, GGX and MCX stores.

twitter







MILITARY STAR\* Promotions subject to credit approval. Standard account terms apply to non-promotional purchases and, after promotion ends, to promotional purchases. As of January 1, 2011, a variable 18.24%

APR applies to Retail Plan Purchases; and variable 18.24%

APR applies to Retail Plan Purchases; and variable 18.24%



# Account Management

Planning Ahead



# Why Account Management

- Strategic Advertising Plan
- End-to-End Solution
- Targeted Demographics
- Exchange + Client Objective = Account Growth

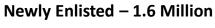




# **EXCHANGE** Market Potential = 12 Million

### Reservist - 1.2 Million

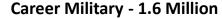
- · Who he is:
  - Male, single
  - Age 25
- · The value of the Exchange
  - Products & services while serving
  - Promotions relevant to his lifestyle
  - Support in both his citizen & military roles



- · Who he is:
  - Single, male
  - Age 19

The value of the Exchange

- Latest technology & products
- Delivery wherever he is stationed
- Touch of home



- · Who he is:
  - Male, married
  - Age 39
- The value of the Exchange
  - Believes in community & family
  - Desires trusted brands
  - No hassle customer service



### Officer - 1.6 Million

- Who she is:
  - Female, single
  - Age 28
- · The value of the Exchange
  - Latest styles
  - Opportunities to splurge
  - Rewards for her commitment to the military



### Family Members - 6.4 Million

- · Who she is:
  - Female, married
  - Age 23
- The value of the Exchange
  - Supports her husband
  - Savings for her family
  - One stop shopping



#### Retiree – 2.3 Million

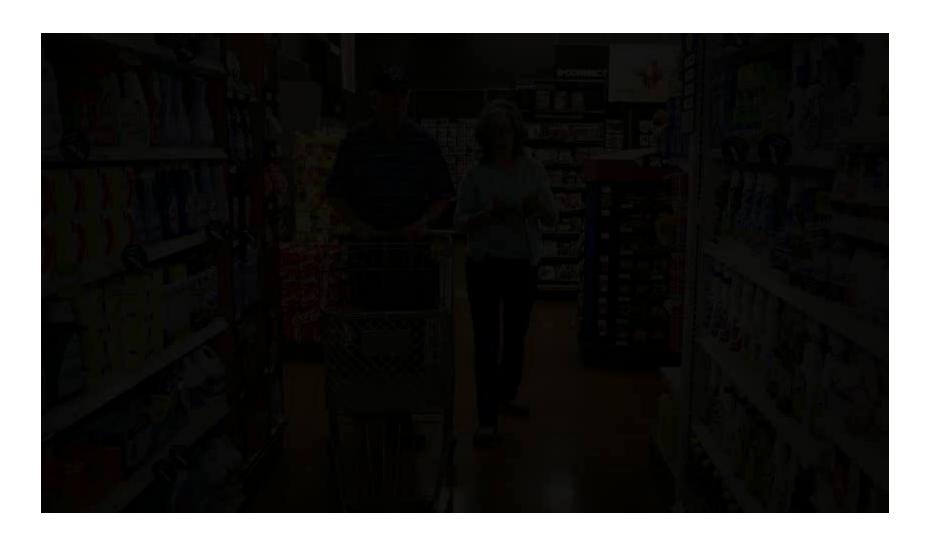
- Who he is:
  - Male, married
  - Age 65
- The value of the Exchange
  - Shopping the Exchange is a tradition
  - Gives loyalty to those who supported him
  - Wants recognition for his service



14



# Who is YOUR target customer?





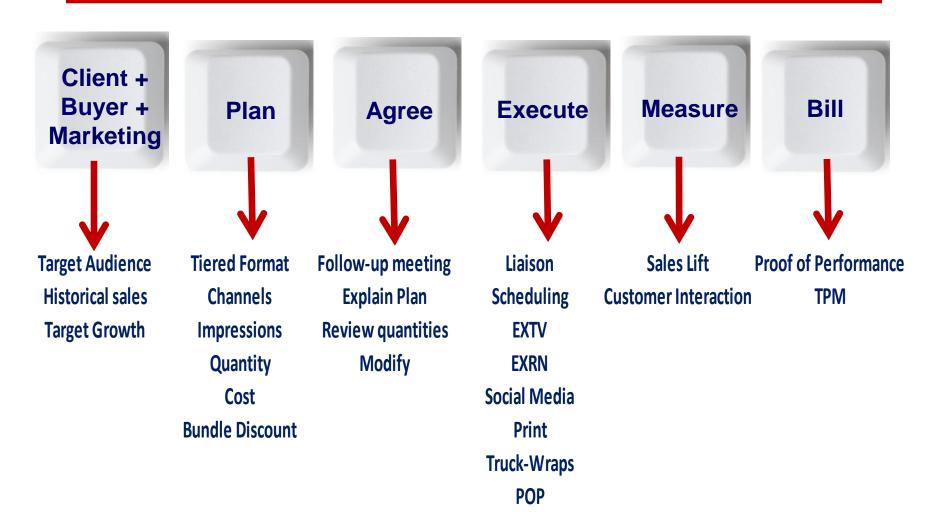
# **Your Target Market**

- **YOU:** 
  - Who is your target customer
  - How do they shop
- **)** US:





# **Account Management Process**





# **EXCHANGE** Annual Marketing Plan

- **Develop a plan**
- **Develop the metrics**
- We will engage all necessary channels

Sep-01-2011 Propsal-2012 Ad-Plan			Package#1			Package#2			Package#3		
Media		Impressions	Qty	Ad Rate	Cost	Qty		ost	Qty		Cost
Digital							1				
EXTV	EXTV is a dynamic and engaging video feed which is digitally distributed to every display model TV within the PowerZone department as well as key viewing areas, such as Customer Service area and Food courts.	5,210,219/ Month				15 Sec Ad/ 2-Spots	\$13,073/ Month	1	15 Sec Ad/ 2-Spots	\$13,073/ Month	\$26,146
Radio	*Production Fee Extra  Admits a modern music feed broadcast, your advertisement can target your product specific locations	10M/ Month				4 Weeks/196 Base	vek	\$35	(eeks/ 196 Bases	\$30/Base/Week	\$47,040
	throughout the world, giving you maximum impact for your ad dollars. * Production Fee Extra										
Theater Slides	Your Slide will show up to four times before the feature film. You provide electronic artwork and we will take care of production and distribution.	179,364/ Month	4-Ads	\$3,264/ Mi		2-Ads	4/ Month		4-Ads	\$3,264/ Month	\$13,056
Tabloid	Our weekly sales flyers are distributed to stores and customers in all 50 states, Europe and Pacific.		4Weeks-QuaterPg. worldwide/ Weekly	\$37,520 Full Pg/ V	\$25,013	<b>V</b>	\$37,52\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	\$25,013	6Weeks-QuaterPg. worldwide/ Weekly	\$37,520 Full Pg/ Week	\$37,520
Specialty Glam Books S/S; F/W&Tactical Book	your product line t		1 Quarter Pg Ad	\$37,520 Full Pg/ 6		1 Quarter	20 Full Pg/ Book	\$9,380	3 Quarter Pg Ads/1 Per Specialty Book	\$37,520 Full Pg/ Book	\$28,140
Social Media Facebook+Twitter+ Salute to your Service Blog+YouTube	Create Brand buzz on the Social Media.	100,00	4 Posts	cha oz	12,000	4 Posts	\$3,000/ All channel postings	\$12,000	6 Posts	\$3,000/ All channel postings	\$18,000
Banner Ad-Dept Page	Exchange online shopping is all branches of the military, and received you visits each month. Advertise your bray you page for my visibility.	2 M/ Month	2-Ads	\$2,000/ Week	\$4,000	4-Ads	\$2,000/ Week	\$8,000	4-Ads	\$2,000/ Week	\$8,000
Op Befit! Banner		Variable	4 Weeks	\$500/ Week	\$2,000	6 Weeks	\$500/ Week	\$3,000	8 weeks	\$500/ Week	\$4,000
Buddy List-Email	Get featured in the E-newsletter also known as Online Savings Clubs and advertise your brand to these online shooners	240,000	4 Posts	\$500/ Ad	Free	4 Posts	\$500/ Ad	Free	4 Posts	\$500/ Ad	Free
Total					\$65,449			\$125,347			\$181,902
Discount			less	10%	\$58,904	less	20%	\$100,278	less	30%	\$127,331



# Exchange Media









# **Exchange Social Media**

- **Establishing a sense of** *community online*
- Engaging customers where they feel comfortable
- Providing customer service real-time
- Communicating the Exchange benefit & value
- Offering online coupons for exclusive savings





## **Social Media Milestone**

### **Growth in the Exchange's Facebook Fan Engagement 2009-2011**

- Fans 1,882 to Now Over 105,000!!!
- Average Monthly Active Users 800 to over 80,000
- Daily Content Likes 2,025 to over 38,000





# **Web Advertising**

- Banner Advertising
- > E-Newsletter
- Buddy List







# **Print Advertising**

- Worldwide Weekly Sales Flyer
- Express Convenience Store Flyer
- Quarterly Coupon Book
- Glam Books









# **EXTV, EXRN & Theater**

- **EXTV Commercial Digital Network**
- EXRN Exchange Radio Network
- Movie Theater Ads

















# **Store Signing & Execution**

- Pump Toppers
- Column Communicators
- Endcap Program
- Floor Decal
- Pin Pad Graphic
- Sweepstakes

### Instruction Sheet

#### **GATORADE 5 FOR \$5**

JOR# 120102012774 • MAR 2012

PROGRAM: Gatorade 5 for \$5 Promotion sign kit.

STRATEGY: This sign kit is designed to promote the Gatorade 5 for \$5 promotion at your Express and Main store.

DISPLAY DATES: 1 May - 30 September, 2012

**ORDERING**: This sign kit is being shipped by automatic distribution and will not be available for reorder. The instruction sheet and artwork for printing additional quantities can be downloaded and printed from Vmagazine using the following path:

Signs and Posters>Express>Gatorade 5 for \$5

**Execution:** Install 6"x 6" Window Cling on the cooler door near Gatorade products and/or on the entrance to the Express. When used on an exterior entrance door, cling should only be up for two weeks at a time. Use 28.75" x 20.81" End Cap in frame above end cap display and Pallet Sign above pallet display. Display 10' x 3' banner outside the Express in an area with maximum exposure to customer observation. Banner should only be displayed for 2 weeks at a time.

#### COMPONENTS: not shown to scale.



End Cap Panel Size: 28.75"x 20.81" Quantity: 4 per kit



Pallet Sign Size: 32"x 8" Quantity: 2 per kit



Exterior Banner Size: 120"x 36" Quantity: 1 per kit



Size: 6"x 6" Quantity: 5 per kit

#### QUESTIONS:

For questions regarding the execution of this signing, please contact MKSignExecutionHelp@aafes.com. For questions regarding content, please contact MKSignHelp@aafes.com.

Page 1 of 2



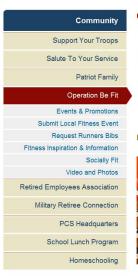
# New Avenues



# **Wellness Marketing**

### Operation: Be Fit!

- Fitness Lifestyle Magazine
- Multichannel Approach
- **OPBEFIT.com**



#### Operation Be Fit



Mission & Vision



Fitness and wellness are a universal challen organization. For the Exchange, it is part of customers'mission: a fit body, mind and sou performance in the daily endeavor of protec freedoms at home and abroad. The Exchan collaboration with the Army, Air Force, DeCa Welfare and Recreation operations, is launc of initiatives to promote healthy choices, fitn personal wellness information to both custor associates.

Operation Be Fit program

goal is to corporately project an integrated awareness campaign that promotes and encourages a healthy lifestyle and to develop a life-long emotional connection with our customers

Look for the Be Fit Shop in stores





- 1,100 Trucks in Fleet
- 37.7 Million Highway Miles Annually
- Average 99,000 Annual Miles Per Trailer
- 8.9 Million Impressions Annually











# **EXCHANGE** Account Planning Team

- Jeanne McDonald McDonaldJe@aafes.com
- Antra Sootha Sootha A@aafes.com





# Questions?