



# **Direct Marketing Catalog/eCommerce**

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The Exchange is moving towards being a multi channel retailer  
Retailing to customers through all available selling channels

- Stores
- Shopping Guides
- eCommerce/online



Customers Choice

- Shopping when, where and how desired

Marketing across all channels

- Tabloids
- eMail Newsletters
- Direct Mail
- Web



To marry up & extend store assortments online

Expanded assortments in key categories

- Electronics
- Personal Computers
- Furniture
- Jewelry
- Major Appliances
- Athletic Footwear



Satisfying **OUR** customers' needs

- **Highest Volume Day of the Week:  
Wednesday (1100 – 1200 Hrs)**

# Who is shopping us?

Active duty	38%
Retired	32%
Reserves	11%
National Guard	11%
Other	8%



Army	46%
Air Force	32%
Navy	14%
Marines	5%
Coast Guard	1%
Other*	2%



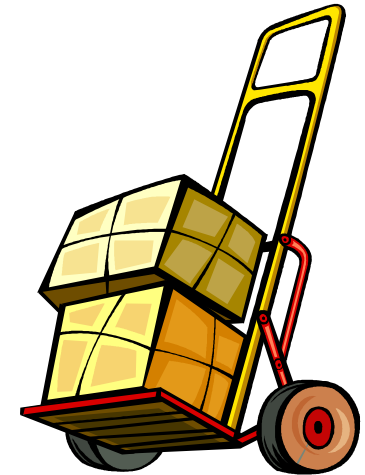
\* Includes AAFES, DOD Civ, State Dept, etc...

## Overall Strategy

- Shopping Guides & eCommerce

## Several ways to do business

- Warehouse (Memphis, Giessen & Yokota)
  - Based on cost effectiveness
- Drop Ship (Preferred Method)
  - Accounts for 75% Cat/eCom sales
  - Requires EDI or ECOMS participation
- Specialty Stores
- Exchange Online Mall Stores





## 4 Quarterly Shopping Guides

Various Specialty and Supplemental publications

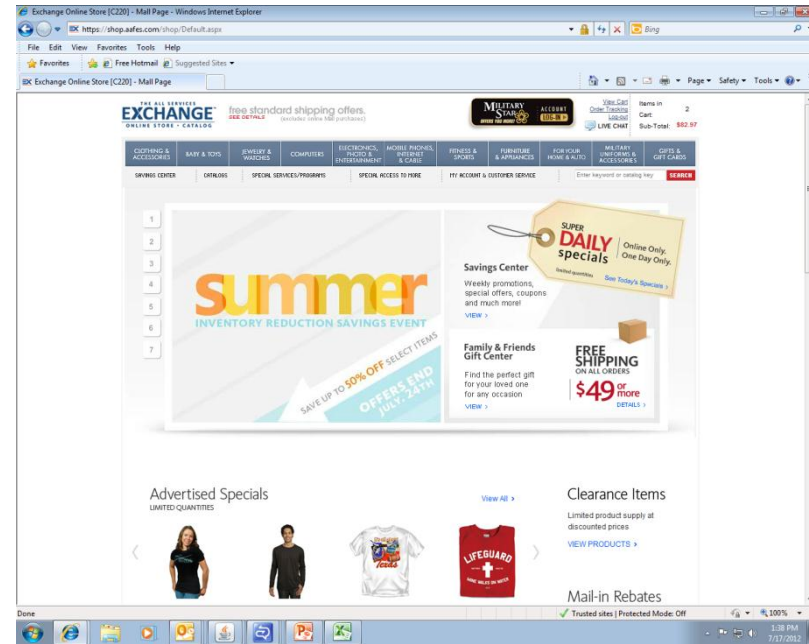


Home Décor, ODL, Kids, Appliances, Electronics, Jewelry, Fashion, and more...

- **130,000+ SKU's with 30,000 keys are on our web site.**
  - Most are not featured in a catalog

## ➤ Promotional Opportunities

- Icons
- Home Page Flash Banner
- Landing Pages
- Banners
  - Top
  - Left-Side
- Coordinating items
- “Push”
  - Ability to push specific suppliers or products to the top of the page



Mirror all or part of supplier's online store

- Vendor site within our site
- Vendor establishes pricing
- Ability to refine assortment as it is vendor's own site

Buy through Exchange Online Shopping Cart

- Customer checks out only once
- Orders sent to vendor for fulfillment (drop ship)

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## **Dell Computers & Accessories**

➤ \$16M

### **2011**

- Fillpoint (Gaming) \$6.4M
- IBuyPower \$2.2M
- Bridal Ring \$1.3M
- Office Depot \$1.0M



2011 Virtual Vendor Sales \$ 28 M

Exchange OnLineMall concessions (110+ Shops):

- Provide customer discounts from 5%-25% off on purchases
- Offer selection and styles from recognizable brands
- Supplements exchange store assortments
- Allows exchanges to utilize floor space and inventory investment in other categories

FY 2011 Sales - \$50M



**Our customers saved almost \$2M by choosing to shop the Exchange OnLine Mall stores over the retailer's regular sites!**



DODGE



345 vendors now available online and by phone

Customers can easily request items not available in the Exchange Catalog or Online

Available 24/7



*We can help you find it!*

**EXCHANGE ONLINE**  
**SPECIAL ORDER PROGRAM**

*If you are unable to find what you're looking for at your local Exchange, in the catalog or online...*

- go to [aafes.com](http://aafes.com)
- click on the "Special Order" link
- or call our toll-free number 1-800-636-3297 or (214) 583-5004
- Open 24 hours a day, 7 days a week

*Available online or by phone!*

**aafes.com** **ex** AFES Exchange Online Store



2009 Sales \$214.0M, 1% decrease

2010 Sales \$187.2M, 8% decrease

2011 Sales \$204.3M 9% increase

2012 Sales \$74,371,484 YTD June, up 4% to LY.

MK has a sales goal of 32% increase for FY 2012.

Our 5 year strategic goal is to be \$1.5B by 2016.

100% of Catalog/Internet earnings within 40 miles of the AAFES Main Store

Distribution is after MK pays other Services

Each AAFES Main Store will receive a percent of earnings based on percent of sales to the total

# *Top Ranked Stores in 2011*

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## Central

Ft Hood: \$69,244\*  
Scott AFB: \$37,077  
Eglin AFB: \$35,544  
Tinker AFB: \$33,352  
Wright Patterson:  
\$32,950

## Eastern

Ft Bragg: \$98,597\*  
Ft Belvoir: \$84,170  
Ft Hamilton: \$63,184  
MacDill AFB: \$58,448  
Langley AFB: \$55,154

## Pacific

Hickam: \$19,197  
Schofield: \$17,024  
Elmendorf: \$14,813  
Foster: \$14,726  
Yongsan: \$11,283

## Western

San Antonio: \$152,866\*  
Lewis/McChord: \$75,132\*  
Los Angeles AFB: \$67,976  
March AFB: \$58,923  
Luke AFB: \$48,751

## Europe/OEF/OIF

Heidelberg: \$9,662  
Grafenwoehr: \$9,057  
Wiesbaden: \$6,620  
Lakenheath: \$6,232  
Spangdahlem: \$4,981

**\$3.2M paid in 2011!**

Stay Connected With the **EXCHANGE** Social Media!



**Like us.**

[facebook.com/AAFES.BX.PX](https://facebook.com/AAFES.BX.PX)



**Follow us.**

[Exchange\\_STYS](https://twitter.com/Exchange_STYS)



**Blog w/ us.**

[salutetoyourservice.com](http://salutetoyourservice.com)



**Pin us.**

[pinterest.com/myexchange](https://pinterest.com/myexchange)



Broadcast Yourself™

**Watch us.**

[AAFESsalutes](https://www.youtube.com/AAFESsalutes)





Goal is to increase:

- Awareness of online site
- Military Star usage
- Repeat purchase

Print Ads/Tabloids

In Store signs

Electronic Newsletters

Targeted customer mailings

Military Star statement ads

Theater Slides/Radio ads

Icons - Make it easy

Social Media

Surveys



## ECOMS

Laura Mansfield

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## OnLine Mall Programs

Chris Hill

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## Home Team

GMM & Home Decor

Jennifer Stinchcomb 4421

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Small Appliances

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Major Appliances

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Home Furnishings

Terri James 6823

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Tabletop

TBD

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## Hardlines Team

GMM & ODL

Jim Trussell 6524

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Giftware

Alexander MacKenzie 2321

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Sporting goods

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Toys

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OnLine Mall

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## Softlines Team

GMM & Juvenile Furniture  
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[bakerz@aafes.com](mailto:bakerz@aafes.com)

Jewelry  
Pam Thompson 6964  
[thompsonps@aafes.com](mailto:thompsonps@aafes.com)

Watches / Cosmetics  
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Footwear  
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## Electronics Team

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**Questions?**

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