

PSSP

September 4, 2009

NOTICE TO THE TRADE – DeCA NOTICE 09-100

SUBJECT: 2010 Worldwide Case Lot Promotions

The purpose of this Notice to the Trade is to advise industry that the Marketing Business Unit will hold two worldwide case lot sales in 2010.

A worldwide case lot sale will be held in May 2010 and another one will be held in September 2010. Stores may select the best 2 or 3 day time frame that meets their needs to conduct their case lot sales. These dates will be coordinated with region points of contact and local industry representatives well in advance of the sales.

Presentations for these case lot sales should be made to Renee Mayo from October 19 - 30, 2009 for the May sale; and February 15 – 26, 2010 for the September sale. The case lot sale packages will be published early this year with the May package the first week in January and the September sale the first week in May. The attached Case Lot Presentation Form (DeCA Form 40-15) must be utilized for all case lot promotional offers to ensure that pricing offers are clearly stated. This form was constructed with special formulas in certain blocks to ensure there are no errors in the calculations. Industry personnel with questions about this form should contact the promotions team.

Industry should focus on high indexing, category leading items that provide commissary patrons with maximum savings over retail. One time buy case lot items that provide value to the commissary patron will also be considered for this promotion. Industry may elect to provide off invoice pricing on participating case lot items. This will require a minimum of 60 days for the May Case Lot Sale (April 16 – June 15, 2010) and 60 days for the September Case Lot Sale (August 16 – October 15, 2010).

In the May and September case lot sales, we will utilize DIBS to load the PLUs for those items selected for the sales. The PLUs will be added as UPC codes with pricing which will flow into the store cash register systems. This procedure will reduce the workload at store level since store personnel will not have to load the items. This will also improve the accuracy of our scanning data as we will be able to ensure that all stores are utilizing the same PLUs. Automated scandowns for full case pricing will again be utilized for all price reductions in addition to off invoice lower prices. In an effort to reduce the workload at store level; as well as processing VCMs, there will be no manual VCMs available at store level from local sales representatives.

Pricing oversight will be critical to protect the integrity of these initiatives. Prior to publication, sales representatives will be notified that their items have been tentatively selected for promotion. Industry will be required to EDI a price for all PLU items within 48 hours of

notification. Pricing for PLU items will differ dramatically from current pricing in that we will now be working with full case lot pricing. Additionally the 1 percent markup will also be applied at the case level and not at the unit level. The final sale price will include the standard 1 percent markup and will be annotated in block 21 of the 40-15 form.

Once selected for inclusion in the case lot sale package, changes to pricing will not be authorized. Consideration must be given to regular 2-week promotional offers presented for the April to June and August to October timeframes to ensure that EDI prices are not affected during the VPR periods for the May and September case lot sales. Coupon support will also be considered in item selection; however, the primary focus for all offers will be off invoice or scandowns.

The MBU is committed to providing full marketing support for the 2010 worldwide case lot sale promotions. DeCA and our industry partners will continue to send the message to all commissary patrons that commissaries have great sales. With these semiannual events that have proven to be a great success, we can continue to show our customers that we have the best items at the best prices.

Points of contact on issues relating to the contents of this sales package are Charlie Dowlen, Promotions Manager at 804-734-8000, extension 48385 or DSN 687- 8000, extension 48385, Renee Mayo, Assistant Promotions Manager at 804-734-8000, extension 48441 or DSN 687-8000, extension 48441 and Angela Leal, Promotions Specialist at 804-734-8000, extension, 48303 or DSN 687-8000, extension 48303.

Points of contact on issues relating to the distribution of this sales package are Kelly Schoot, Promotions Coordinator, at 804-734-8000, extension 48308 or DSN 687-8000, extension 48308, and Donita Higgins, Promotions Assistant, at 804-734-8000, extension 48310 or DSN 687-8000, extension 48310.

//signed//
Randall Chandler
Director of Sales

Attachment:
As stated