



## **Marketing & Advertising**

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**Dr. James Skibo**  
**VP Marketing & Advertising**

# **Corporate Branding & Image Program**

## **Marketing & Advertising**



EXCHANGE™

# Corporate Branding

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## ✓ Goal:

- 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
- Strengthen shopping loyalty

## ✓ 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 customer's first choice in all their buying decisions.



EXCHANGE™

# Corporate Branding



Class Six

Military Clothing

Theater







LANE BRYANT



U.S. AIR FORCE



SHOPKO

CACIQUE



KOHL'S



LENSCRAFTERS



Eddie Bauer  
EST. 1920



NORDSTROM

BARNES & NOBLE



It is all about customers!

✓ **Customers**

- Site visits- 17 Installations WW
- Store sensing sessions
- Online sensing sessions

✓ **Stakeholders:**

- Internal Sensing Sessions
- Historical strategies and results



EXCHANGE™

# Who We Are

## "The Exchange"

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



FORT SAM HOUSTON MAIN STORE 1904  
THE NAVY IS HERE



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

## Brand Filter



## 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 pitching in.

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 lifestyle of the military is **Readiness.**



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

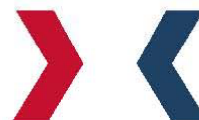




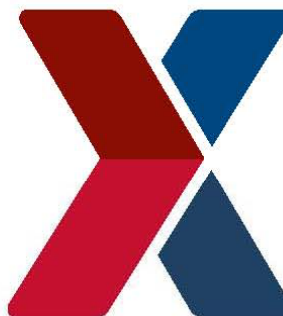
**aafes**



*You save money*



*We give back to the community*



# EXCHANGE

*We go where you go.*





EXCHANGE™

## New Corporate Logo

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# EXCHANGE

ARMY & AIR FORCE EXCHANGE SERVICE



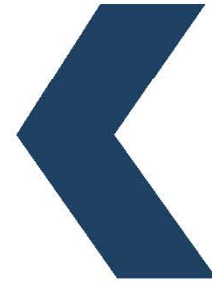
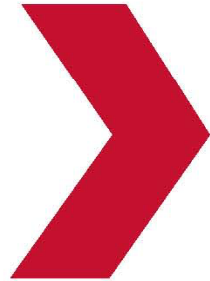
EXCHANGE™

## New Tag Line

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“The Exchange”

*You save  
money*



*We give back to  
the community*

**➤ YOU SAVE MONEY X WE GIVE BACK ◀**

# Online Worldwide Sensing Survey

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## ➤ 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%         | Power Zone- 63% |
| ▪ Customer Service- 65% | Entry Zone- 61% |
| ▪ Furniture- 64%        | Jewelry- 54%    |

## ➤ Website: 87% rated the proposed website as good or better than the current site





# Corporate Branding



Main Entrance



Food Court Entrance



Pylon



Ft. Bliss

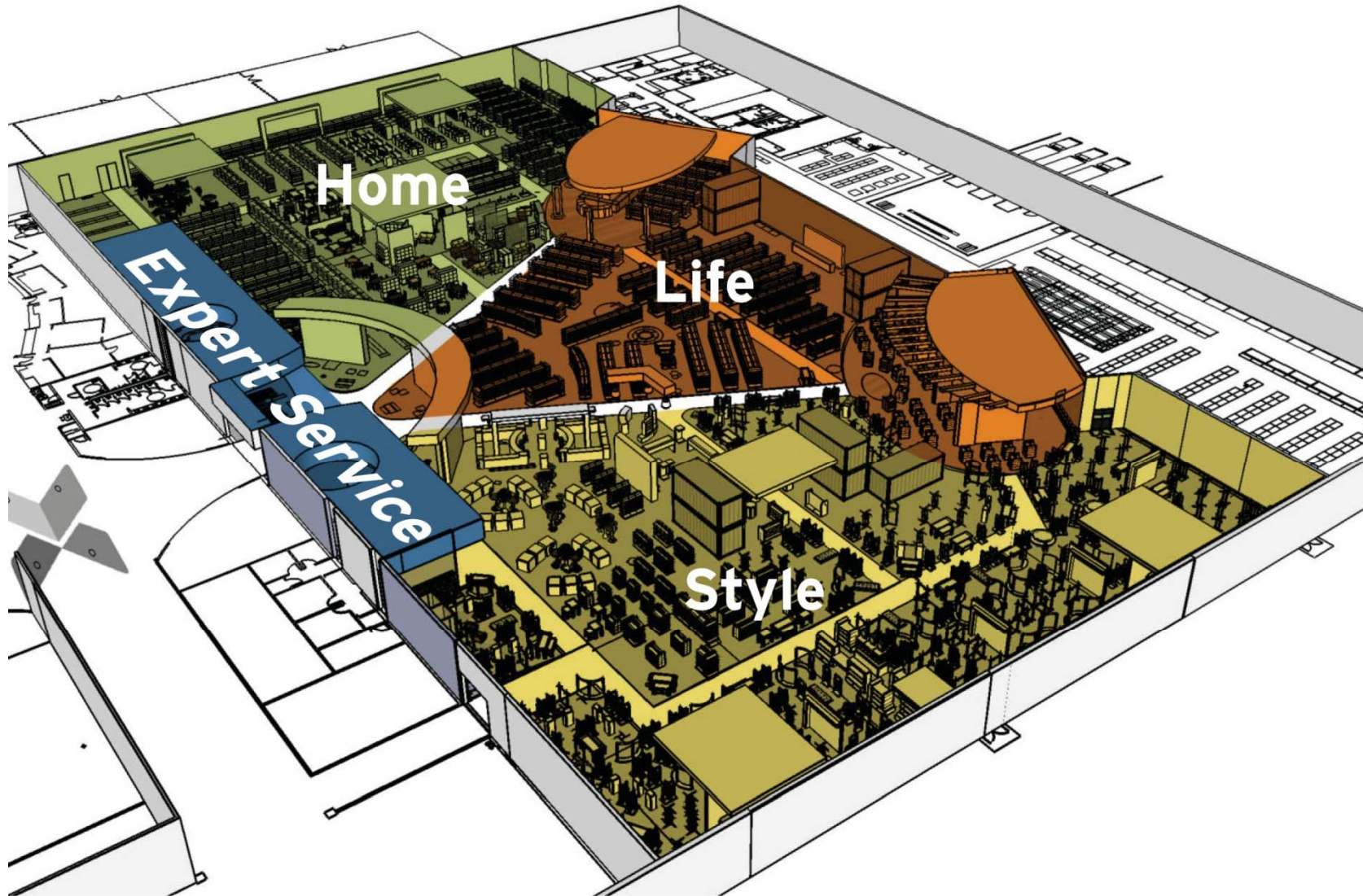
KMCC



Tinker AFB











# Entry Zone



## Tinker AFB





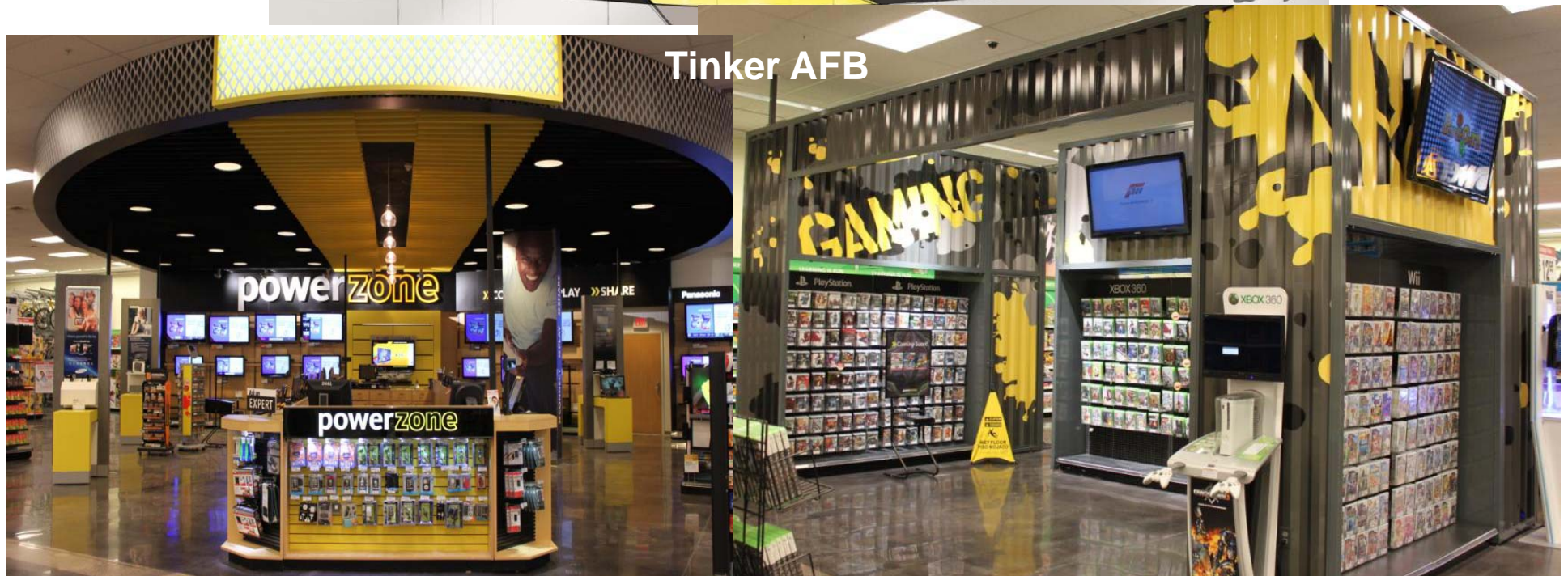
# Customer Service



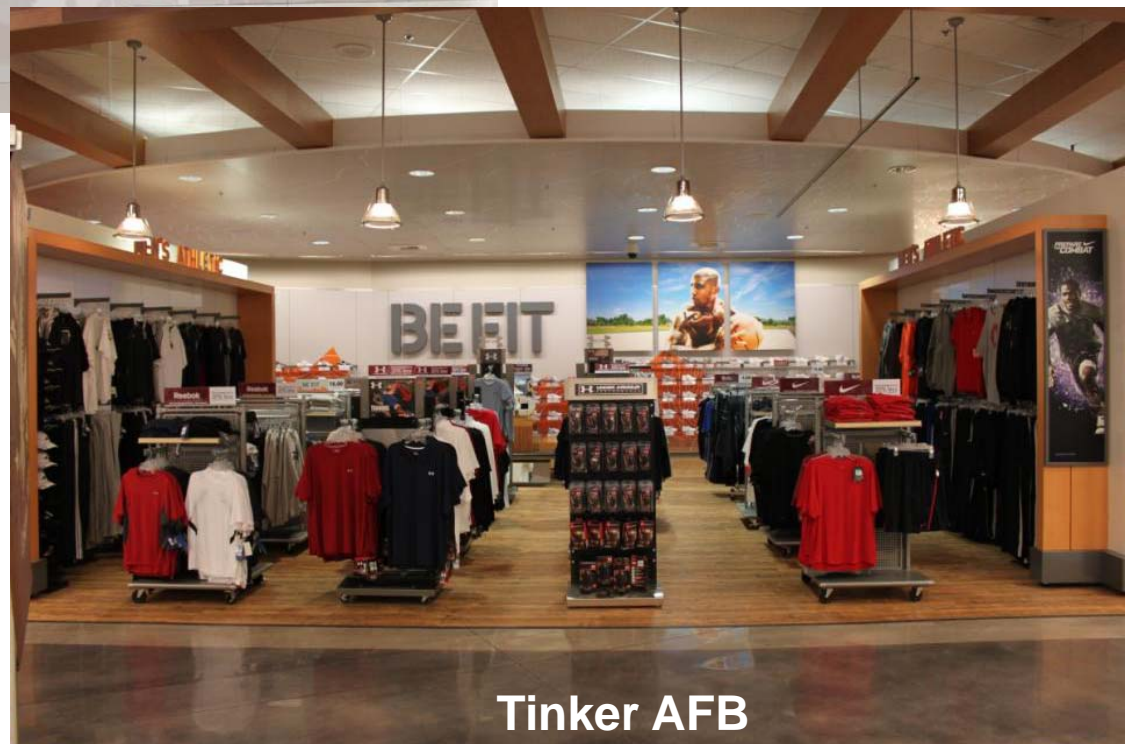
Tinker AFB



**EXCHANGE™** **PowerZone**







Tinker AFB



**Tinker AFB**





# EXCHANGE™ Home







EXCHANGE™

# Local MWR Programs



Customer Service

## Tinker AFB





# Central Checkout



Checkout



Tinker AFB

# EXCHANGE™ **Express**

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# Tinker AFB Express



# Military Clothing





# Anthony's Pizza







EXCHANGE™

# Branding and Image Program Status

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- **Tinker Exchange- Brand Opening** - 17 Sept 2010
- **Web Design-** Re image soft launch Sept 2010, full launch Mar 2011
- **Domain Name Update-** [shopmyexchange.com](http://shopmyexchange.com) – Now active
- **Exterior Signing**
  - CONUS Shopping Centers- 2011
- **Exclusive Brands-** Exchange Select and Simply Perfect launched with Tinker opening
- **Worldwide Rollout**
  - Exterior Signing- 2nd Qtr 2011
  - Graphic Components- Sep 2011

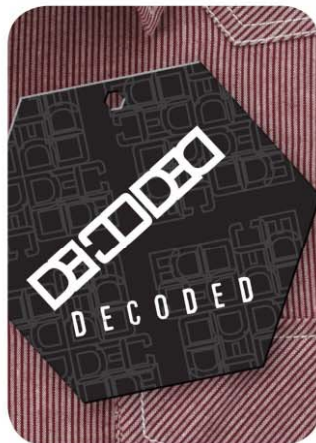


- **Website Re-design-** Mar 2011 Full launch
- **Performance Metrics-** 4<sup>th</sup> Qtr 2010/ 2<sup>nd</sup> 2011
- **Exclusive Brands Rollout**
  - 2010- Exchange Select, Patriot's Choice, Simply Perfect
  - 2011- PBX Basic, PBX Pro, JW, Junction West, Decoded, Passports, Gumballs, R&R Casuals, Big Sky Outfitters
- **Additional Key Departments- 2011**
  - Military Clothing
  - Express
  - Services Mall
  - Anthony's Pizza/Robin Hood

# 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





# 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





# Marketing – A New Look

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



- ✓ **Drivers + Passengers**
- ✓ **Offerings/Density**
  - Promotional
  - EDLP in the mix
- ✓ **Multi-channel**
  - [shopmyexchange.com](http://shopmyexchange.com) on the cover



✓ Drivers and Passengers

**NO SALES TAX!**

**TOSHIBA**  
\$329.95  
Save \$50!

**3 Free Games!**

**SAMSUNG**  
\$2599.95  
Save \$300!

**NO SALES TAX!**

**NO SALES TAX!**

**Tax Time Savings!**  
Save thousands on April 15th!

**NO SALES TAX!**

**89.95**  
Save 30%!

**24.95**  
Save 20%!

**16.95**  
Save 10%!

**NO SALES TAX!**



EXCHANGE™

# QR Codes

Sale Dates Friday, March 11 thru Thursday, March 17

**EXCHANGE**

**Lucky SAVINGS Everyday!**

**NO SALES TAX!**

**22" SYLVANIA** LCD TV, #UC72051  
SAVE \$60  
Only \$10\* per month!  
Reg. \$249

**PS3** 299<sup>95</sup>  
Only \$10\* per month!  
PS3 160GB hardware core unit.

**PS3** 44<sup>95</sup>  
Dual shock 2 wireless controller.

**PS3** 49<sup>95</sup>  
Wireless keypad.

**PS3** 59<sup>95</sup>  
Games for PS3 or Xbox360. Assorted.  
Selection may vary by location.

**PS3** 24<sup>95</sup>  
Blu-ray remote control.

**PS3** 19<sup>95</sup>  
Optical digital cable.

**9<sup>95</sup>**  
12V dual power adaptor car charger, #UCG102 BL

Using your smart phone, scan this barcode to "like" us now!  
Need a bar code reader? Download one free at <http://get.measures.com>

Find money-saving coupons on Facebook!  
Look for this symbol in this sales flyer!

[shopmyexchange.com](http://shopmyexchange.com)  
for more gaming and accessories!

online only

Find these items online at [shopmyexchange.com](http://shopmyexchange.com)!



Your choice

**984** Reg.

Washer, 4.5 cu. ft.

#28003

from 1026R (\$50

Electric dryer, 7

#003

1026S



**0** interest.  
payments.

Enjoy 6 months of no  
interest or payments on  
any Whirlpool/Maytag  
purchase of \$345 or  
more when you use your  
MILITARY STAR® card  
March 4-17, 2011.

**Whirlpool**



Valid at your Exchange, Exchange Catalog or Exchange  
Store. Excludes Exchange Online Mail and Specialty  
Exchanges. Offer not valid at NEX, MCK, or CGA stores.





# EXCHANGE™ *Quarterly Coupon Books*



**Clip & Save Big!**

December 31, 2010 - January 31, 2011  
Limit one coupon per product per purchase.

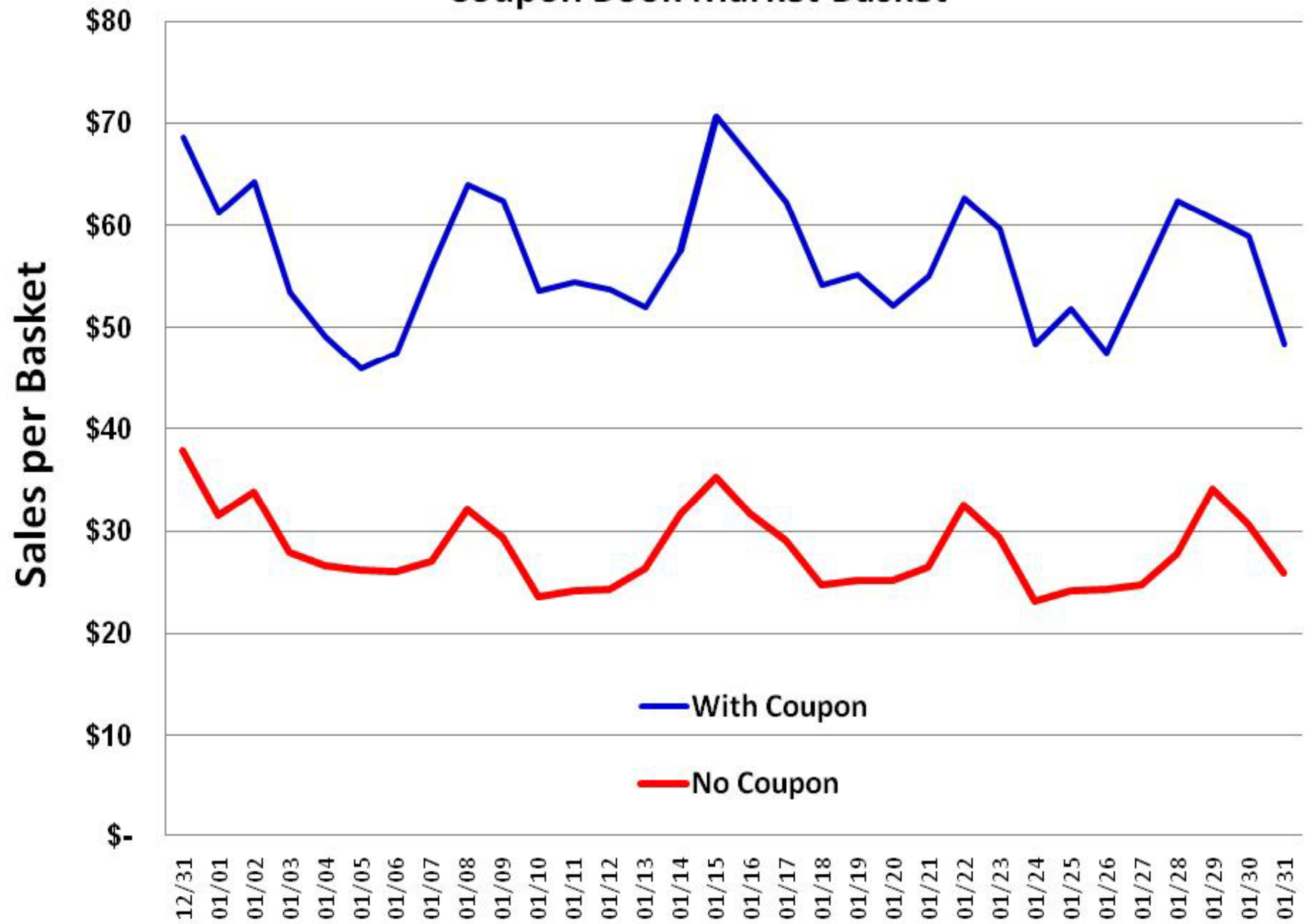


<p><b>EXCHANGE STORE COUPON</b> Valid December 31, 2010 - January 31, 2011 Not valid at shopmyexchange.com</p> <div style="text-align: center;">  <p><b>\$3 off</b> any Olay Age Defying Series cream, lotion or eye gel. No limit.</p> <p><small>ARMY AND AIR FORCE EXCHANGES SERVICE TO GO UPON. Original coupon must be presented at checkout. Limit one per person, per visit. Coupon valid at any AFES facility. No cash redemption value. NOT VALID AT SHOPMYEXCHANGE.COM</small></p>  <p>6 12759 43587 5</p> </div>	<p><b>EXCHANGE STORE COUPON</b> Valid December 31, 2010 - January 31, 2011 Not valid at shopmyexchange.com</p> <div style="text-align: center;">  <p><b>\$3 off</b> any 2 L'Oréal Dermo-Expertise Skin Care products. Includes Advanced Revitalift, Age Perfect, Go 360 and Skin Genesis. No limit.</p> <p><small>ARMY AND AIR FORCE EXCHANGES SERVICE TO GO UPON. Original coupon must be presented at checkout. Limit one per person, per visit. Coupon valid at any AFES facility. No cash redemption value. NOT VALID AT SHOPMYEXCHANGE.COM</small></p>  <p>6 12759 44526 3</p> </div>	<p><b>EXCHANGE STORE COUPON</b> Valid December 31, 2010 - January 31, 2011 Not valid at shopmyexchange.com</p> <div style="text-align: center;">  <p><b>\$4 off</b> Neutrogena Ageless Intensives facial care products. Limit 1.</p> <p><small>ARMY AND AIR FORCE EXCHANGES SERVICE TO GO UPON. Original coupon must be presented at checkout. Limit one per person, per visit. Coupon valid at any AFES facility. No cash redemption value. NOT VALID AT SHOPMYEXCHANGE.COM</small></p>  <p>6 12759 44974 2</p> </div>
<p><b>EXCHANGE STORE COUPON</b> Valid December 31, 2010 - January 31, 2011 Not valid at shopmyexchange.com</p> <div style="text-align: center;">  <p><b>30% off</b> any CoverGirl Lash Blast or Lash Blast Fusion mascara. No limit.</p> <p><small>ARMY AND AIR FORCE EXCHANGES SERVICE TO GO UPON. Original coupon must be presented at checkout. Limit one per person, per visit. Coupon valid at any AFES facility. No cash redemption value. NOT VALID AT SHOPMYEXCHANGE.COM</small></p>  <p>6 12759 46643 5</p> </div>	<p><b>EXCHANGE STORE COUPON</b> Valid December 31, 2010 - January 31, 2011 Not valid at shopmyexchange.com</p> <div style="text-align: center;">  <p><b>\$1 off</b> all Maybelline eye products. No limit.</p> <p><small>ARMY AND AIR FORCE EXCHANGES SERVICE TO GO UPON. Original coupon must be presented at checkout. Limit one per person, per visit. Coupon valid at any AFES facility. No cash redemption value. NOT VALID AT SHOPMYEXCHANGE.COM</small></p>  <p>6 12759 47303 7</p> </div>	<p><b>EXCHANGE STORE COUPON</b> Valid December 31, 2010 - January 31, 2011 Not valid at shopmyexchange.com</p> <div style="text-align: center;">  <p><b>\$10 off</b> any Crest 3D White Strips, 14-ct. or greater. Limit 1.</p> <p><small>ARMY AND AIR FORCE EXCHANGES SERVICE TO GO UPON. Original coupon must be presented at checkout. Limit one per person, per visit. Coupon valid at any AFES facility. No cash redemption value. NOT VALID AT SHOPMYEXCHANGE.COM</small></p>  <p>6 12759 47151 4</p> </div>

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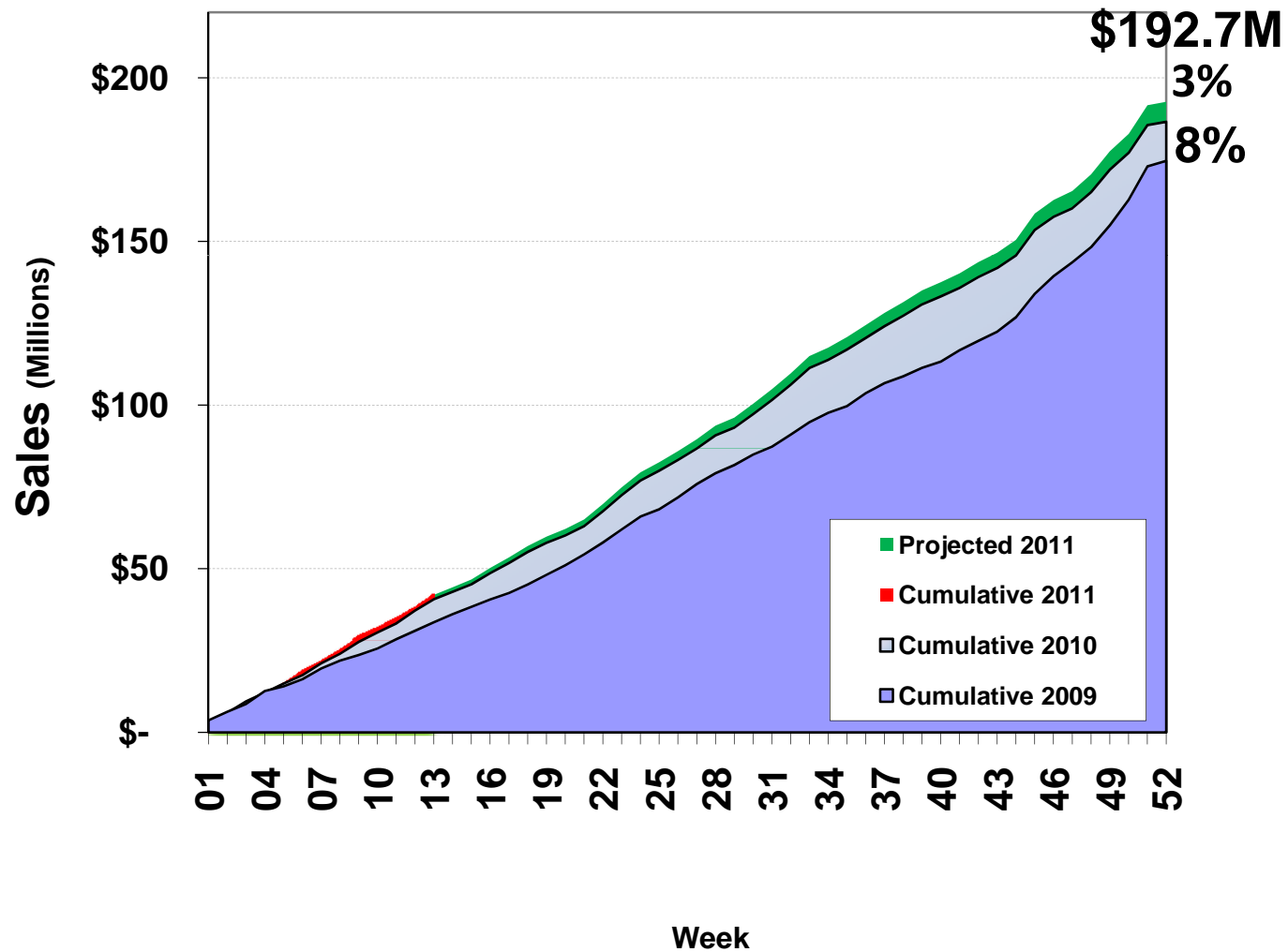


## Coupon Book Market Basket



# Sales Promotion Metrics

YTD Sales: 2009-2010-2011





# Operation: Be Fit

- ✓ Installations' Wellness And Fitness Events Submissions
- ✓ Banner Ads
- ✓ Event Bibs Request
- ✓ Inquiries: E-mail [operationbefit@aafes.com](mailto:operationbefit@aafes.com)
- ✓ Re-launch 1 March on [shopmyexchange.com](http://shopmyexchange.com)





## › EXTV

- 180 Stores
- PowerZone TVs, Customer Service Areas, Food Courts and Shoppettes
- Eur & PAC completed 2009

## › EXRN

- 564 locations  
(135 Shoppettes)
- DECA – DO Guidance 09-20  
**EXRN in Commissaries !**





# EXCHANGE™ Collaboration



- ✓ DECA EXRN Initiative
- ✓ Operation Be Fit
- ✓ Army Family Covenant
- ✓ Army Dominoes Tournament
- ✓ MWR – Up to \$5 off Bowling

## 

**Your commissary, exchanges and military community support services are here to serve you!**

Your tax-free shopping benefit saves the military family on average more than \$3,000 per year on items you need and brands you want. We serve you with low prices and convenient shopping on every military installation around the world...wherever you serve.

We serve you with deep discounts on travel and lodging at premier destinations like the Navy Lodge Hawaii and the Hale Koa Hotel® on Waikiki Beach. Golfing, bowling, youth activities and more are also discounted at prices you won't find in civilian recreation venues. And, we serve you with links to vital information on family services and military life.

Visit any one of our web sites to see how we can serve you today.

FEB 09





## Mission Statement

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





## MILITARY STAR® Card: Statistics

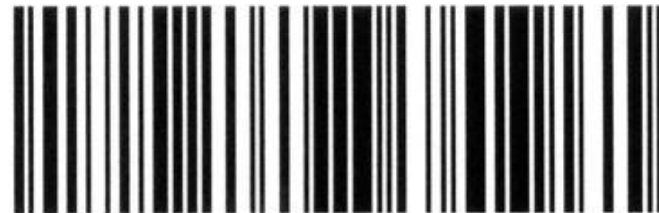


Average 1<sup>st</sup> day's purchase: \$466

Average MILITARY STAR®  
purchase: \$66

Average Exchange purchase: \$31

ITEMS 3  
12/31/2010



## 6 Month

- Sponsored by Vender or HQ
- \$299, \$345, etc. minimum purchase

## 9 Month

- Baby promotion in September
- Monthly payments required
- Minimum purchase required

## 12 Month

- Monthly payments required
- Minimum purchase required
- Based on vendor and product



## Benefits to Vendors



Tabloid Ad

\$10,000



Radio Spot  
(30 sec)

\$530/wk



22 x 28  
Poster

\$1969



Laser  
Statement Ad

\$5000



Buddy List

\$400



Internet Flash  
Banner

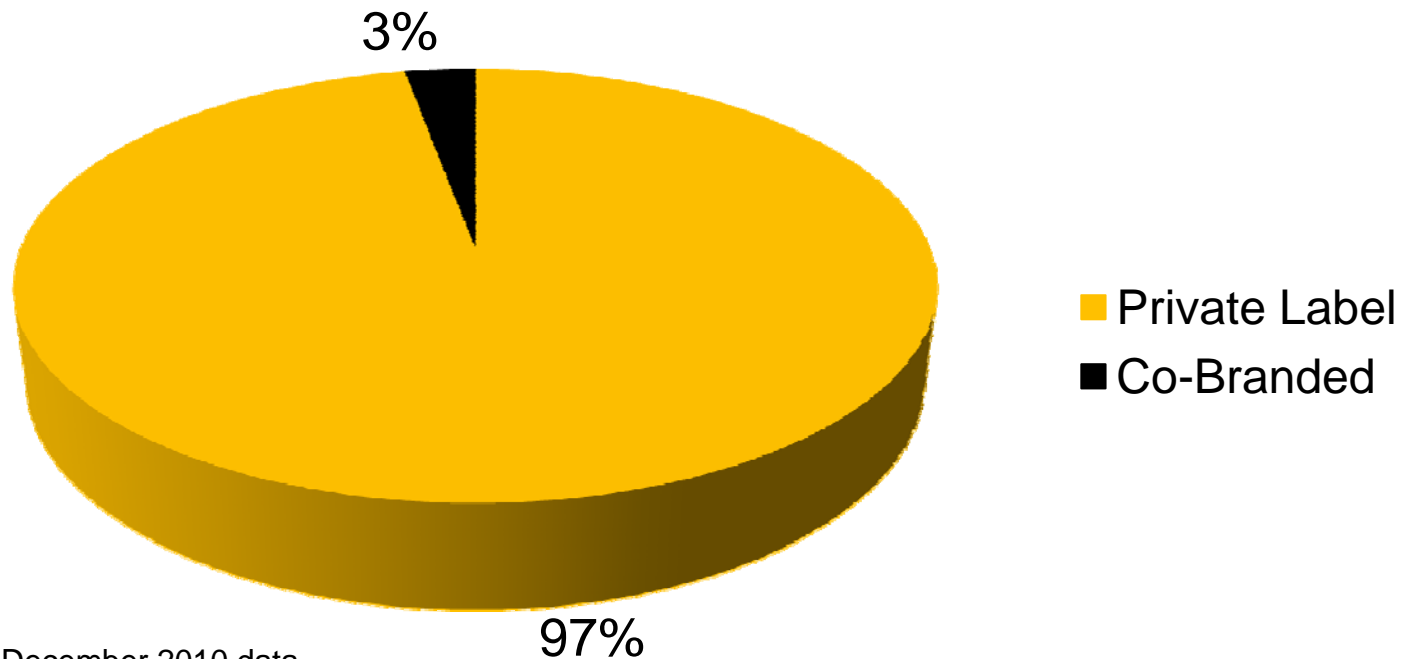
\$2,500

← **TOTAL COST: \$20,399** →





## Percentage of Private Label and Co-Branded Cardholders



\*Based on December 2010 data

Private Label Cardholders: 1,865,052

Co-Branded Cardholders: 60,286

Total MILITARY STAR® Cardholders: 1,925,338



# MILITARY STAR® Card Advertising



Enjoy 6 months of no interest or payments on any Whirlpool/Maytag purchase of \$345 or more when you use your MILITARY STAR® card March 4-17, 2011.

**0** interest. payments.



**MILITARY STAR**

**Serta**

Spend \$499 or more on any Serta Brand Mattress or Bedding using your MILITARY STAR® card and receive 12 months

**0** interest. payments.

Serta Brands include Perfect Sleeper, SertaPedic, Vera Wang and Trump Home Brand mattresses and bedding.

Offer valid from Feb. 18 - Mar. 3, 2011 at your Exchange, Exchange Catalog or shopmyexchange.com. Excludes Exchange Online Mail, Specialty Store and Concessionaire purchases. Not valid at NEX, CGX and MCX stores. Excludes Simply Perfect Brand mattresses and bedding. P142098

**Home Cleaning Kit — FREE with a Dyson vacuum.**

Purchase a full-size Dyson upright or canister vacuum and receive this FREE accessory kit valued at \$99. This offer also available at shopmyexchange.com with mail-in rebate.

Home Cleaning kit includes these genuine Dyson accessories: soft dusting brush, multi angle brush and stiff bristle brush.

**No down payment, no interest until September 2011.**

Use your MILITARY STAR® card and get great savings on Dyson vacuum cleaner purchases of \$179 or more from February 18-24, 2011 at your Exchange, Exchange Catalog or shopmyexchange.com. Excludes Exchange Online Mail, specialty store, concessionaire and European store purchases. Not valid at NEX, CGX and MCX stores. PL #42104

**dyson** The vacuum that doesn't lose steam.

Spend \$349 or more on Samsung electronics using your MILITARY STAR® card between Feb. 4 - 10, 2011 and receive 6 months

**0** interest, payments, until Sept. 2011.

**SAMSUNG**

Offer valid at your Exchange Store, Exchange Catalog or Online Store. Offer not valid on Samsung Appliances, Samsung Cameras & Camcorders, & Samsung Laptops. Excludes Online Mail purchases. P141999



## Military Star

# Our largest client.





## Magazine/Newspaper Advertising



**BEHIND  
THE BIG  
MOMENTS**

**...are the rewards**

You keep your vehicle looking great, and your gas bill should look just as good. With year-round fuel discounts, plus competitively low interest rates, **MILITARY STAR®** makes it easy to fill up the tank. Apply now at [militarystar.com](http://militarystar.com) and discover the many rewards **MILITARY STAR®** offers.



Points subject to applicable award chart and program rules. Rewards based on your card's activation date. See [militarystar.com](http://militarystar.com) for program details. ©2014 Bank of America. All rights reserved.

**Larger Than Life Rewards**



**BEHIND  
THE BIG  
MOMENTS**

**...are the rewards**

You work hard, spend wisely and have earned the right to a perfect getaway. **MILITARY STAR®** Rewards MasterCard can get you there. Earn 2 points per dollar for qualifying purchases on retail items and redeem your points for a Travel Voucher. Apply now at your local Exchange or [www.militarystar.com](http://www.militarystar.com).



Points subject to applicable award chart and program rules. Rewards based on your card's activation date. See [militarystar.com](http://militarystar.com) for program details. ©2014 Bank of America. All rights reserved.

**Larger Than Life Rewards**

# EXCHANGE™ *Military Star New Look*

## Integration into specialty tabloids



**X**  
EXCHANGE

Your choice  
\$399  
1/2 ct. t.w. Pendant,  
Earrings or Ring in 10k.

**MOTHER'S DAY**  
SUNDAY, MAY 19TH, 2001

**0** interest,  
payments  
until March 2012.

Make any jewelry  
purchase of \$399  
or more with your  
MILITARY STAR® card  
to receive 9 months no  
interest or payments.

**Larger Than Life Rewards**

## Integration into specialty tabloids

[illegible]



## Integrating all phases of Promotion





 Questions?

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