



**Brian Lamoreaux**  
**Merchandise Manager**

**Direct Marketing**  
**Catalog/eCommerce**

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Multi Channel retailers account for 75% of online sales

Retailing to customers through all available selling channels

- Stores
- Catalog
- eCommerce



Customers Choice

- Shopping when, where and how desired

Marketing across all channels: cross merchandising

- Tabloids
- eMail Newsletters
- Direct Mail
- Web



Extension of store stock assortments

Expanded assortments in key categories

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



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...

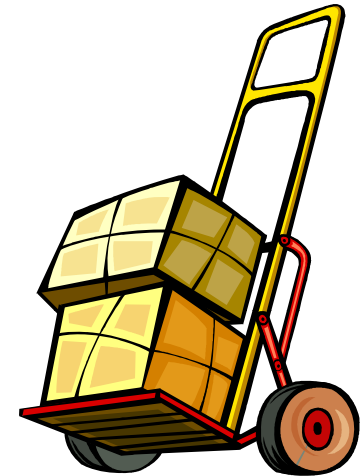


## Overall Strategy

- Catalogs & 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
- Virtual Vendor
- Exchange OnLine Mall





## 2 Big Books

- Fall/Winter
- Spring/Summer



## 20 Specialty and Supplemental publications



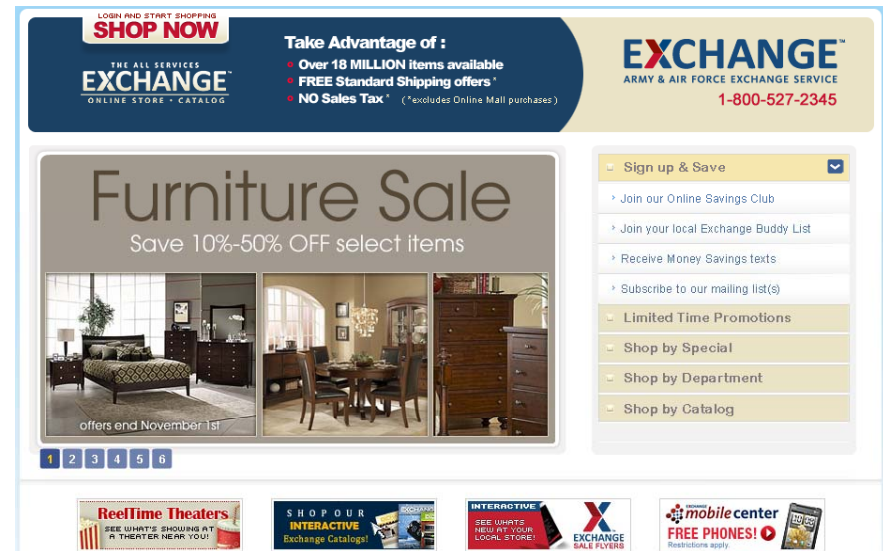
Home Décor, ODL, Kids, Appliances, Electronics, Jewelry, Fashion, and more...



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

- › **Promotional Opportunities**

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





## *Virtual Vendor Business Model*

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Mirror all or part of supplier's online store

- Ability to accommodate a link
- Establish pricing
- Ability to refine assortment

Buy through Exchange Online Shopping Cart

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

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214-312-2450





## **Dell Computers & Accessories**

- 2009: \$17M

### **2009**

- Fillpoint (Gaming) \$9.5M
- New Age Electronics \$3.1M
- Alienware \$2.3
- Office Depot \$1.3M



2009 Virtual Vendor Sales \$ 41.1 M



## *Exchange OnLine Mall*

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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 09 Sales - \$15M



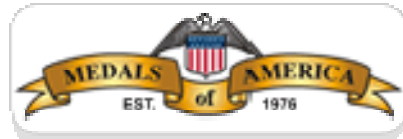
**Our customers saved almost \$2M by choosing to shop the Exchange OnLine Mall stores over the retailer's regular sites!**





EXCHANGE™

# Exchange OnLine Mall





## *Special Order Program*

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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



## *Catalog/eCommerce Sales History*

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**2002 Sales \$114.5M, 17% increase**

**2003 Sales \$151.6M, 32% increase**

**2004 Sales \$157.9M, 5% increase**

**2005 Sales \$193.5M, 23% increase**

**2006 Sales \$222.9M, 15% increase**

**2007 Sales \$240.5M, 3% increase**

**2008 Sales \$216.8M, 10% decrease**

**2009 Sales**

**\$ 214M -1%**



## ***Distribution of Earnings to Main Stores***

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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 2009*

### Central

Ft Campbell: \$32,969\*  
Ft Hood: \$25,034\*  
Eglin AFB: \$14,210  
Scott AFB: \$13,776  
NAS Ft Worth: \$12,138

### Eastern

Ft Bragg: \$26,526\*  
Ft Belvoir: \$25,747  
Langley AFB: \$22,823  
Ft Hamilton: \$19,586  
MacDill AFB: \$18,217

### Pacific

Hickam: \$7,190  
Elmendorf: \$6,793  
Schofield: \$6,183  
Yongsan: \$5,175  
Foster: \$3,707

### Western

San Antonio: \$52,548\*  
Lewis/McChord: \$31,794\*  
Los Angeles AFB: \$20,129  
March AFB: \$19,614  
Luke AFB: \$17,248

### Europe/OEF/OIF

Heidelberg: \$4,621  
Grafenwoehr: \$2,845  
Bamberg: \$2,160  
Lakenheath: \$2,153  
Spangdahlem: \$2,032

**Almost \$1.5M  
paid in 2009!**





Become a Fan.

**facebook**

AAFES, Your Military BX/PX  
(Official Page)



Follow us on

**twitter**

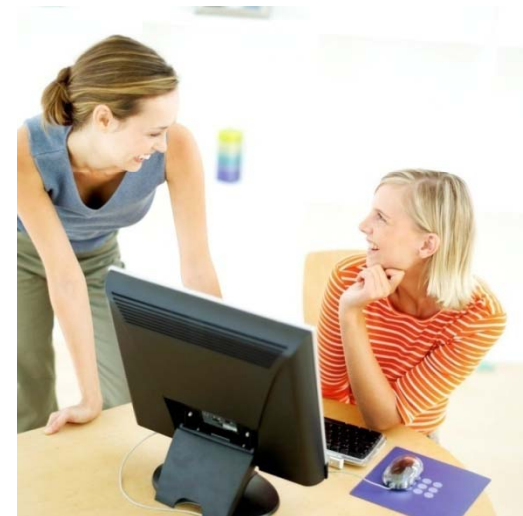
@EXCHANGE\_STYS

**You Tube**

Broadcast Yourself™

**AAFESsalutes**

 **MOBILE**  
MARKETING





# Reaching More Customers

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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Phone - 214-312-4621



## OnLine Mall Programs

Chris Hill

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Phone – 214-312-2880

## Home Team

GMM & Home Decor

Jennifer Stinchcomb 4421

[stinchcombj@aafes.com](mailto:stinchcombj@aafes.com)

Home Furnishings

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[lamoreauxb@aafes.com](mailto:lamoreauxb@aafes.com)

Major Appliances

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Small Appliances

Christine Stowski 4163

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Tabletop

Terri James 6823

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## Hardlines Team

GMM & ODL

Jim Trussell 6524

[trussell@aafes.com](mailto:trussell@aafes.com)

Giftware

Alexander MacKenzie 2321

[mackenzie@aafes.com](mailto:mackenzie@aafes.com)

Sporting goods

Joseph Kasales 3236

[kasalesj@aafes.com](mailto:kasalesj@aafes.com)

Toys

Kristina Jonker 2828

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OnLine Mall

Chris Hill 2880

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## Softlines Team

GMM & Juvenile Furniture

Janean Baker 4375

[bakerz@aafes.com](mailto:bakerz@aafes.com)

Jewelry

Pam Thompson 6964

[thompsonps@aafes.com](mailto:thompsonps@aafes.com)

Watches / Cosmetics

John Carmichael 6486

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Footwear

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Apparel II

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## Electronics Team

GMM & Electronics

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Electronics

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Computers

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iPODS / Portables

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**Questions?**

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