A Brief Overview
Our History

• **1920 Incorporated as the Quartermaster’s Association (QMA)**
  QMA was composed of officers of the Regular Army, the National Guard, the Organized Reserves, key civilians in the federal government and leaders of industry. QMA disseminated professional information concerning all Quartermaster and related activities, and fostered and promoted a spirit of cooperation and friendly exchange of ideas among the members.

• **1961 QMA becomes the Defense Supply Association (DSA)**
  The name was changed in response to the establishment of the Defense Supply Agency, as well as the increasing responsibilities being placed upon the U.S. Army Quartermaster Corps to provide food, clothing and general supplies to all the Armed Forces under DoD’s single manager concept. The Association was composed of officers of the Armed Forces, key civilians in the federal government and leaders of industry.

• **1972 DSA becomes the American Logistics Association (ALA)**
  To eliminate confusion with the Defense Supply Agency, the Association changed its name to the American Logistics Association and adopted the “eagle in the oval” logo. The new ALA carried forward the same objectives of the Quartermaster and Defense Supply Associations. According to an editorial in the July/August 1972 issue of ALA’s Review Magazine, the new name “was chosen to “show clearly who we are, what we do and how we intend to function. ‘American’ must always exalt the pride of patriotism...we believe in our country, in its customs, in its ideas and in its business efforts. ‘Logistics’ is defined as that branch of the military art which embraces the details of transport and supply. ‘Association’ is a union; a connection of persons or things, or a union of persons in a company or society for some particular purpose.”

• **1974 ALA reorganizes into a national trade association**
  Led by a Board of Directors comprised of representatives from industry, the newly organized association was designed to serve industry and its related interests in military and other government activities.

• **2020 ALA Centennial Year**
  Today, our mission is to promote, protect, and enhance the military resale and quality of life benefits on behalf of our members and the military community.
Programs and Services

• It is our goal to provide valuable programs and services that enable all members to operate effectively and efficiently with the military resale system and services.

• ALA is the only organization that can give you the resources and the information you need to succeed. We strive to increase the visibility of the Association and enhance the services that ALA provides its members.
Contact Information

American Logistics Association  
1101 Vermont Ave, N.W.  
Suite 1002  
Washington, DC 20005  
Phone (202) 466-2520  
Email: membership@ala-national.org  
www.ala-national.org
Military Resale Market

FY 2019 Total Sales: (Unaudited) $ 17.2 billion

- Commissaries
  $ 4.485B

- Exchanges
  $ 12.658B
  Thru 2019

- Ships Ashore
  $57.2M
  Thru FY 2019

Inc. Vending
Estimate
MILITARY PATRONS

Active Duty Demographics
Authorized Shoppers

Total Shoppers Authorized 2019: 11.3 Million

- Active Duty: 1.448 Million
- DoD Civilian Employees: 0.812 Million
- Guard & Reserve: 1.166 Million
- Retirees: 2.482 Million
- Family Members: 5.410 Million

Source: AAFES Contingency Planning Office-Active 2019 Will include VOSB Veterans
Active Duty Military Personnel Trend

Calendar Year

Source DMDC
# Active Duty Demographics

<table>
<thead>
<tr>
<th>Age</th>
<th>Male</th>
<th>Female</th>
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<tbody>
<tr>
<td>&lt;25</td>
<td>42%</td>
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<td>26-30</td>
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<td>22%</td>
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<td>31-35</td>
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<td>15%</td>
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<td>36-40</td>
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<td>11%</td>
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<tr>
<td>41+</td>
<td></td>
<td>9%</td>
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<tr>
<td>50+</td>
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<td>.01%</td>
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<table>
<thead>
<tr>
<th>Gender</th>
<th>Officers</th>
<th>Enlisted</th>
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<tbody>
<tr>
<td>Male</td>
<td>1.217M</td>
<td>84%</td>
</tr>
<tr>
<td>Female</td>
<td>0.232M</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: DMDC Updated –Declining -2016
Military Resale Agencies

- Defense Commissary Agency (DeCA)
- Army and Air Force Exchange Service (AAFES)
- Navy Exchange Service Command (NEXCOM)
- Marine Corps Exchange (MCX)
- Coast Guard Exchange Systems (CGX)
- Veterans Canteen Service (VCS)
Defense Commissary Agency
DeCA Profile

Established: 1991

Employees: (FTE) Approximately 12,000

Headquarters:
1300 E Avenue
Fort Lee, VA 23801-1800
Phone: (804) 734-8253
Web site: www.commissaries.com

Major Distribution Facilities:
CONUS
Civilian Distributor Network
Overseas
DeCA Central Distribution Centers

Director:
Vee Penrod

Special Assistant
To the ASD (M&RA) for Commissary Operations:
Robert Bianchi

Deputy Director/COO:
Michael J. Dowling

Selected Operations and Services:
Grocery; Freeze; Chill; Produce Meat; Dairy; Deli/Bakery/Sushi

FY 2019 Sales: $4.485 Billion
Mission Statement

Deliver the Premier Quality of Life Benefit to the Armed Services Community - To enhance recruiting, retention and readiness by efficiently and effectively providing exceptional savings and excellent products and superior services - EVERYTIME, EVERYPLACE.
DeCA Facts

- Annual operating Budget- Congressionally Funded
- Headquarters- Fort Lee, Virginia
- FY 2019 Sales- $4.48 Billion
- FY17 237 stores (178 CONUS and 59 OCONUS)
- Merchandise sold at cost plus 1% to cover shrinkage plus 5% surcharge applied at register
- Vendor stocking required for some categories
- Estimated that 45% of DeCA shoppers are retirees
- Commissaries recognized as the Premier Quality of Life non-pay benefit
DeCA Fiscal Year Sales

Billion $
### America’s Top Food Retailers

<table>
<thead>
<tr>
<th>Rank</th>
<th>Retailer</th>
<th>Fiscal YE Sales (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wal-Mart</td>
<td>$514,410,000</td>
</tr>
<tr>
<td>2</td>
<td>Kroger</td>
<td>$121,162,000</td>
</tr>
<tr>
<td>3</td>
<td>Albertsons</td>
<td>$62,179,000</td>
</tr>
<tr>
<td>4</td>
<td>Ahold</td>
<td>$48,090,120</td>
</tr>
<tr>
<td>5</td>
<td>Publix</td>
<td>$36,100,000</td>
</tr>
<tr>
<td>6</td>
<td>H.E. Butt Grocery Co.</td>
<td>$26,000,000</td>
</tr>
<tr>
<td>7</td>
<td>Meijer</td>
<td>$17,400,000</td>
</tr>
<tr>
<td>8</td>
<td>Wakefern Food Co.</td>
<td>$16,500,000</td>
</tr>
<tr>
<td>9</td>
<td>Aldi</td>
<td>$16,053,440</td>
</tr>
<tr>
<td>10</td>
<td>Amazon (as Whole Foods Market)</td>
<td>$15,887,300</td>
</tr>
<tr>
<td>11</td>
<td>Traders Joes</td>
<td>$11,665,680</td>
</tr>
<tr>
<td>12</td>
<td>Hy-Vee Food Stores</td>
<td>$10,200,000</td>
</tr>
<tr>
<td>13</td>
<td>Southeastern Grocers</td>
<td>$9,055,800</td>
</tr>
<tr>
<td>14</td>
<td>Giant Eagle Holdings</td>
<td>$8,900,000</td>
</tr>
<tr>
<td>15</td>
<td>Target</td>
<td>$7,402,200</td>
</tr>
<tr>
<td>21</td>
<td>Defense Commissary Agency</td>
<td>$4,700,000</td>
</tr>
</tbody>
</table>

**Source:**
Progressive Grocer
March 2019
### DeCA Sales Information
#### Top 10 Stores by Sales YE FY2019

<table>
<thead>
<tr>
<th>Commissary</th>
<th>Total Sales</th>
<th>Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearl Harbor</td>
<td>$81,738,526.76</td>
<td>1,158,783.00</td>
</tr>
<tr>
<td>Ft Belvoir</td>
<td>$80,380,111.41</td>
<td>946,920.00</td>
</tr>
<tr>
<td>San Diego NB</td>
<td>$76,322,995.93</td>
<td>1,020,343.00</td>
</tr>
<tr>
<td>Schofield Barracks</td>
<td>$64,487,555.12</td>
<td>1,029,511.00</td>
</tr>
<tr>
<td>Ft Campbell</td>
<td>$58,168,092.00</td>
<td>870,496.00</td>
</tr>
<tr>
<td>Ramstein AB</td>
<td>$57,944,507.78</td>
<td>1,207,565.00</td>
</tr>
<tr>
<td>Ft Meade</td>
<td>$55,506,834.94</td>
<td>840,965.00</td>
</tr>
<tr>
<td>Jacksonville NAS</td>
<td>$54,213,306.68</td>
<td>732,815.00</td>
</tr>
<tr>
<td>Ft Lewis</td>
<td>$52,012,464.88</td>
<td>883,656.00</td>
</tr>
<tr>
<td>McChord AFB</td>
<td>$50,620,339.31</td>
<td>709,038.00</td>
</tr>
</tbody>
</table>

Source: DeCA EOY FY19 Sales Figures
# Coupons, SNAP and WIC Historical Comparisons

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<tbody>
<tr>
<td>Coupon Dollars</td>
<td>$94,160,582</td>
<td>$105,198,170</td>
<td>$114,122,168</td>
<td>$112,703,419</td>
<td>$104,188,496</td>
<td>$91,005,779</td>
<td>$83,742,771</td>
<td>$71,843,845</td>
<td>$64,022,956</td>
<td>$55,474,452</td>
<td>$46,347,581</td>
<td>$19,444,321</td>
</tr>
<tr>
<td>$ per Coupon</td>
<td>$0.81</td>
<td>$0.85</td>
<td>$0.88</td>
<td>$0.92</td>
<td>$0.92</td>
<td>$0.91</td>
<td>$0.94</td>
<td>$1.00</td>
<td>$1.04</td>
<td>$1.07</td>
<td>$1.09</td>
<td></td>
</tr>
<tr>
<td>% Change in Coupon $ vs. Prior FY</td>
<td>-5%</td>
<td>12%</td>
<td>8%</td>
<td>-1%</td>
<td>-8%</td>
<td>-13%</td>
<td>-8%</td>
<td>-14%</td>
<td>-11%</td>
<td>-13%</td>
<td>-16%</td>
<td>-18%</td>
</tr>
<tr>
<td>% Change in Coupon # vs. Prior FY</td>
<td>-8%</td>
<td>6%</td>
<td>4%</td>
<td>-5%</td>
<td>-8%</td>
<td>-12%</td>
<td>-10%</td>
<td>-17%</td>
<td>-13%</td>
<td>-17%</td>
<td>-19%</td>
<td>-20%</td>
</tr>
<tr>
<td>% Change in $ per Coupon vs. Prior FY</td>
<td>3%</td>
<td>5%</td>
<td>4%</td>
<td>4%</td>
<td>0.40%</td>
<td>-1%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
<td>3%</td>
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<tbody>
<tr>
<td>SNAP Dollars</td>
<td>$31,146,015</td>
<td>$52,954,938</td>
<td>$72,831,952</td>
<td>$87,842,699</td>
<td>$103,670,751</td>
<td>$84,575,783</td>
<td>$79,550,563</td>
<td>$66,654,434</td>
<td>$55,162,051</td>
<td>$49,141,794</td>
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<tr>
<td>SNAP Transactions</td>
<td>282,879</td>
<td>501,477</td>
<td>717,006</td>
<td>856,330</td>
<td>966,358</td>
<td>805,325</td>
<td>750,853</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>SNAP $ per Transaction</td>
<td>$110.10</td>
<td>$105.60</td>
<td>$101.58</td>
<td>$102.57</td>
<td>$104.27</td>
<td>$107.06</td>
<td>$105.02</td>
<td>$105.95</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>% Change in SNAP Dollars vs. Prior FY</td>
<td>25%</td>
<td>70%</td>
<td>38%</td>
<td>21%</td>
<td>13%</td>
<td>5%</td>
<td>-18%</td>
<td>-6%</td>
<td>-8%</td>
<td>-8%</td>
<td>-9%</td>
<td></td>
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<tr>
<td>% Change in SNAP Trans vs. Prior FY</td>
<td>21%</td>
<td>77%</td>
<td>43%</td>
<td>19%</td>
<td>11%</td>
<td>2%</td>
<td>-17%</td>
<td>-7%</td>
<td></td>
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<tr>
<td>% Change in SNAP $/Trans vs. Pr FY</td>
<td>4%</td>
<td>-4%</td>
<td>-4%</td>
<td>1%</td>
<td>2%</td>
<td>3%</td>
<td>-2%</td>
<td>1%</td>
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</thead>
<tbody>
<tr>
<td>WIC Dollars</td>
<td>$31,574,375</td>
<td>$30,209,689</td>
<td>$29,878,377</td>
<td>$31,238,896</td>
<td>$29,223,857</td>
<td>$25,547,180</td>
<td>$23,975,653</td>
<td>$21,404,109</td>
<td>$18,942,610</td>
<td>$16,648,008</td>
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<tr>
<td>WIC Transactions</td>
<td>1,653,307</td>
<td>1,651,080</td>
<td>1,779,760</td>
<td>1,754,843</td>
<td>1,793,576</td>
<td>1,655,182</td>
<td>1,397,949</td>
<td>1,279,919</td>
<td>106,257</td>
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<td>WIC $ per Transaction</td>
<td>$19.10</td>
<td>$18.30</td>
<td>$16.62</td>
<td>$17.03</td>
<td>$17.42</td>
<td>$17.66</td>
<td>$18.27</td>
<td>$18.73</td>
<td>$18.39</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>% Change in WIC Dollars vs. Prior FY</td>
<td>8%</td>
<td>-4%</td>
<td>-2%</td>
<td>1%</td>
<td>5%</td>
<td>-6%</td>
<td>-13%</td>
<td>-6%</td>
<td>-9%</td>
<td>-9%</td>
<td>-9%</td>
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<tr>
<td>% Change in WIC Trans vs. Prior FY</td>
<td>-4%</td>
<td>0%</td>
<td>8%</td>
<td>-1%</td>
<td>2%</td>
<td>-8%</td>
<td>-16%</td>
<td>-8%</td>
<td>-8%</td>
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<tr>
<td>% Change in WIC $/Trans vs. Pr FY</td>
<td>12%</td>
<td>-4%</td>
<td>-9%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>4%</td>
<td>3%</td>
<td>-2%</td>
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</tbody>
</table>

Source: DeCA, * Due to a change in privacy laws in mid-2016, transactions can no longer be provided as public data.
DeCA Business Drivers

- **Promotions via Display (Presented to DeCA Headquarters)**
  - **Manager Specials:** Category leaders, high volume items, deep discounts, mandated display, administered via automated VCM at Headquarters
  - **Power Buy Display:** High volume items, excellent prices, mandated quantities and display
  - **One Time Buys/Shippers:** Highly consumable, impulse items

- **Sidewalk/Case Lot Sales:** Special events selling to patrons in case increments
- **Dollar Days:** Dollar price points and dollar multiples on brand name food items
- **Coupons:** On-shelf manufacturer coupons, FSI coupons & Internet coupons all accepted
- **In-store Demos:** Very effective and cost efficient
- **Advertising:** Several effective Military specific vehicles available
MILITARY EXCHANGE MARKET

A CLOSER LOOK

- 50 States
- 2 U.S. Territories
- 30 Foreign Countries
Exchange Sales Trends

$12.6B  FY 2019

AAFES/MCX/CGX/NEX/VCS (Unaudited)

Billion $
EXCHANGES

AAFES, NEXCOM and Marine Corps Exchanges
- Operate as Federal Instrumentalities - unique organizations within the DoD
- Self-funded, using few tax dollars
- Exchanges pay their own operating costs from Revenues
- Return earnings to Customers through payments to Morale, Welfare and Recreation Activities and investments in new, renovated exchange facilities

Coast Guard Exchanges
- An MWR activity; Coast Guard is part of the Department of Homeland Security

Veterans Canteens
- Operates under the authority of the Department of Veterans Affairs
AAFES PROFILE

Established: 1895

Employees: 36,000

Headquarters:
3911 S. Walton Walker Blvd.
Dallas, TX 75236-1598
Phone: (214) 312-2001
Web site: www.aafes.com

Major Distribution Facilities:
Newport News, VA;
French Camp, CA; Waco, TX;
Giessen, Germany; Tokyo, Japan; Yokota, Japan; Inchon, Korea; Okinawa, Japan;
Honolulu, Hawaii

CEO:
Tom Shull
President & CMO-Ana Middleton
COO-Dave Nelson:
Retail Stores; On-line Shopping
Concessions; Catalog Services
Food Facilities; Gas and Auto Repair
Military Clothing Stores; Movie Theaters
Vending Centers, State Department Commissaries

FY 2019 Direct Sales: $7,634.35
(In $ Millions) (Unaudited)
NEXCOM PROFILE

Established: 1946

Employees: 15,000

Headquarters:
3280 Virginia Beach Blvd.
Virginia Beach, VA 23452
Phone: (757) 463-6200
Web site: www.navy-nex.com

Major Distribution Facilities:
Norfolk, VA; Chino, CA
Pensacola, FL; Naples, Italy
Honolulu, Hawaii; Yokosuka, Japan

CEO:
Mr. Robert J. Bianchi

COO:
Michael Good

CMO:
Mr. Rich Honiball

Selected Operations and Services:
Retail Stores; Concessions
Food Facilities; Gas and Auto Repair
Authorized Uniform Stores
Vending Centers; Ship Stores

FY 2019 Direct Sales: $2,435.0
(Unaudited)(In $ Millions)
NEXCOM DISTRICTS (11)

- Northwest District
- Western District
- Hawaii District
- Japan District
- Guam District
- Mid-South District
- Southeast District
- Tidewater District (HQ)
- Capitol District
- Northeast District
- European District
MCX PROFILE

Established: 1897

Employees: 3543

Headquarters:
3044 Catlin Ave.
Quantico, VA 23134-5103
Phone: (703) 784-3800
Web site: www.usmc-mccs.org

Major Distribution Facilities:
None

Director:
Ms. Cindy Whitman Lacy

Deputy Director Business Operations:
Ms. Jennifer Wible

Selected Operations and Services:
Retail Stores; Concessions
Vending Centers; Gas and Auto Repair
Food and Hospitality Facilities
MWR Programs

CMO:
Ms. Cheryl Lemmon

Marine Corps Exchanges (MCX) are a part of the Marine Corps Community Services (MCCS) on the Marine Corps bases.

FY 2019 Sales: $829.0 Million (Unaudited)
MCX FACILITIES (17)

Hawaii
- Kaneohe Bay
- Iwakuni

Japan
- Yuma

Barstow
Twentynine Palms
Camp Pendleton
Miramar
& MCRD San Diego

Henderson Hall
Quantico (MCX HQ)
Camp Allen
Cherry Point
Camp Lejeune
Beaufort
Parris Island

Albany
CGX PROFILE

Established: 1945

Employees: 1,600

Commander:
Captain Bruce Brown

Chief Operating Officer:
John Reiley

Director of Merchandise
Samantha Bishop

Selected Operations and Services:
Retail Stores
Gas Stations
MWR Programs
Food Operations (franchised)
Vending Centers

Headquarters:
Battlefield Technology Center 1
510 Independence Pkw. Ste 500
Chesapeake, VA 23320
Phone: (757) 8424901
Web site: www.uscg.mil/mwr

2009 MWR Revenue NAF $17.8 M
2009 APF $8.3M
Lodges 26
Food & Beverage 24
Golf Courses 2
Fitness Facilities 33

FY 2019 Sales: $158.9 (In Millions)
Central Buying Office

Core Customers:
- Patients (including relatives and friends)
- Staff and Medical workers
- Volunteers

Average Retail Store size: 1,500-1,800 sq. ft.

Approved items are placed in VCS’ Automated Merchandise Catalog (AMC). Items on AMC are available to each canteen for ordering merchandise.
VCS PROFILE

Established: 1946

Employees: 3,100

Headquarters:
#1 Jefferson Barracks Road
Building #25
St. Louis, MO 63125-4194
Phone: (314) 894-1200
Web site: www.vcscanteen.com

Major Distribution Facilities:
None

Director:
Mr. Ray Tober, SES

COO:
Mr. Jim Leahy, SES

Chief Merchandising Officer
Mr. Carey Filer

Selected Operations and Services:
Retail Stores, Food Operations (Cafeterias)
Personalized Services, Vending

FY 2019 Sales: $451.2 (In Millions)
(Unaudited)
Exchanges - Main Stores

**NOTE:** Resale systems combined operate thousands of retail operations including Main Stores, Express, Troop Stores, Package Stores, Sport Shops, Lawn and Garden, Fast Food, Military Clothing Stores, Gas Stations, etc. FY 2018

<table>
<thead>
<tr>
<th></th>
<th>CONUS</th>
<th>OCONUS</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>AAFES</td>
<td>96</td>
<td>26</td>
<td>122</td>
</tr>
<tr>
<td>NEXCOM</td>
<td>68</td>
<td>32</td>
<td>100</td>
</tr>
<tr>
<td>MCX</td>
<td>14</td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td>VCS</td>
<td>199</td>
<td>3</td>
<td>202</td>
</tr>
<tr>
<td>CGES</td>
<td>59</td>
<td>5</td>
<td>64</td>
</tr>
<tr>
<td>Total</td>
<td>436</td>
<td>68</td>
<td>504</td>
</tr>
</tbody>
</table>
### EXCHANGE SALES RANKING VS. AMERICA’S TOP RETAILERS

#### Top Sales Rankings July 2019

<table>
<thead>
<tr>
<th>Rank</th>
<th>Retailer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>WalMart</td>
</tr>
<tr>
<td>2</td>
<td>Amazon.com</td>
</tr>
<tr>
<td>3</td>
<td>Kroger</td>
</tr>
<tr>
<td>4</td>
<td>Costco</td>
</tr>
<tr>
<td>5</td>
<td>Walgreens</td>
</tr>
<tr>
<td>6</td>
<td>Home Depot</td>
</tr>
<tr>
<td>7</td>
<td>CVS</td>
</tr>
<tr>
<td>71</td>
<td>Dillards</td>
</tr>
<tr>
<td>86</td>
<td>DeCA</td>
</tr>
<tr>
<td>98</td>
<td>Belk</td>
</tr>
<tr>
<td>118</td>
<td>Exchange</td>
</tr>
</tbody>
</table>

#### Global Sales Ranking

<table>
<thead>
<tr>
<th>Rank</th>
<th>Retailer</th>
</tr>
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<tbody>
<tr>
<td>1</td>
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<td>Exchange</td>
</tr>
</tbody>
</table>

Source: Kantar 2019
EXCHANGE RESALE SYSTEMS
BUSINESS DRIVERS

• Pricing equal to or lower than best customer
• Voluntary Price Reduction (VPR)
• Favorable payment terms
• Cooperative Purchasing

Marketing funds for:
✓ In-store demos
✓ Premiums, give-a-ways
✓ Truckload and parking lot sales
✓ Contests, sweepstakes
✓ Clerk training
✓ Scholarships

continued...
EXCHANGE RESALE SYSTEMS
BUSINESS DRIVERS

• Advertising funds for:
  – Weekly tabloids, In-store flyers
  – Special programs

• Prepaid freight
• Warehouse allowances
• Business Processes
  – Vendor Managed Inventory (VMI)
  – Pre-ticketing for certain kinds of merchandise
SHIP STORES PROFILE

Established: 1909

Headquarters:
3280 Virginia Beach Blvd.
Virginia Beach, VA 23452
Phone: (757) 463-6200
Web site: www.navy-nex.com

Major Distribution Facility:
Yokosuka, Japan
130 Ships Globally 3 Stores Ashore

CEO
Robert J. Bianchi

Vic President, Ship Stores Program:
Bruce Neubeck

Selected Operations and Services:
Retail Stores; Vending Machines
Laundries; Barber Shops

FY 2019 Sales: $57.2 Million 130 Ships-3
Stores ashore- Ships vending Sales $5.7
Million (Unaudited)
WHAT MAKES SHIP STORES UNIQUE?

• Investment in inventory is constrained
  – limited storage and display space
• Assortments reduced to best selling SKU’s
• Majority of sales occur while deployed
• Captive market when at sea
• Store hours restricted while in port or repair yards
• Requires 24-72 hour turnaround for deliveries
MWR
Operations

Morale, Welfare and Recreation
MWR is a term given to a complete range of community support, quality of life programs, services, and activities that are provided to members of the Armed Forces and their families on military installations throughout the world.
OPERATIONS

• Each of the military services operates MWR activities

• Each military service has its own MWR organization, and while they manage similar activities, each does so in its own manner within the broad policy mandates of DoD

• Operations are generally decentralized, but there is growing trend toward regional operations in Army & Navy.
Program Funding

- MWR operations are funded with a combination of tax payer funds (appropriated) and self generated funds (non-appropriated) referred to as “APF” and “NAF” respectively.
- NAF is generated through the sale of goods and services by both MWR operations and the Exchanges (dividends).
## Programs Categories

<table>
<thead>
<tr>
<th>Categories</th>
<th>Title</th>
<th>Funds</th>
<th>Program Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>“A”</td>
<td>Mission Essential</td>
<td>100% APF</td>
<td>Fitness Center, Intramural Sports, Libraries, Rec. Centers</td>
</tr>
<tr>
<td>“B”</td>
<td>Community Support</td>
<td>65% APF</td>
<td>Child Dev. Center</td>
</tr>
<tr>
<td></td>
<td>35% NAF</td>
<td></td>
<td>Outdoor Rec., Rec. Pool</td>
</tr>
<tr>
<td>“C”</td>
<td>Business Operations</td>
<td>100% NAF*</td>
<td>Clubs, Golf, Bowling, Retail Stores, Snack Bars, Restaurants, Lodging, Marinas</td>
</tr>
</tbody>
</table>

Category may determine type of contracting procedures utilized

- **APF:** Defense Federal Acquisition Regulations Supplemental
- **NAF:** DoD and Service Specific Regulations **
  - DoD Directive 4105.67
  - DoD Instruction 4105.71

*With some limited exceptions

** [www.defenselink.mil](http://www.defenselink.mil)

Source: DMDC
MWR’S MOST FREQUENTED FACILITIES

**Air Force**
- Fitness Facilities
- Libraries
- Outdoor Rec.
- Clubs and Entertainment

**Army**
- Fitness Facilities
- Gyms/fields
- Bowling
- Libraries
- ITT

**Navy**
- Fitness Facilities
- ITT
- Fast Food Venues
- Outdoor Rec.
- Gyms

**Marines**
- Fitness Facilities
- ITT
- Fast Food Venues
- Outdoor Rec.
- Gyms
THE COMMISSARY MILITARY MARKET FACTS PRESENTATION HAS BEEN BROUGHT TO YOU BY THE AMERICAN LOGISTICS ASSOCIATION.

Advocates for Military Total Quality of Life

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