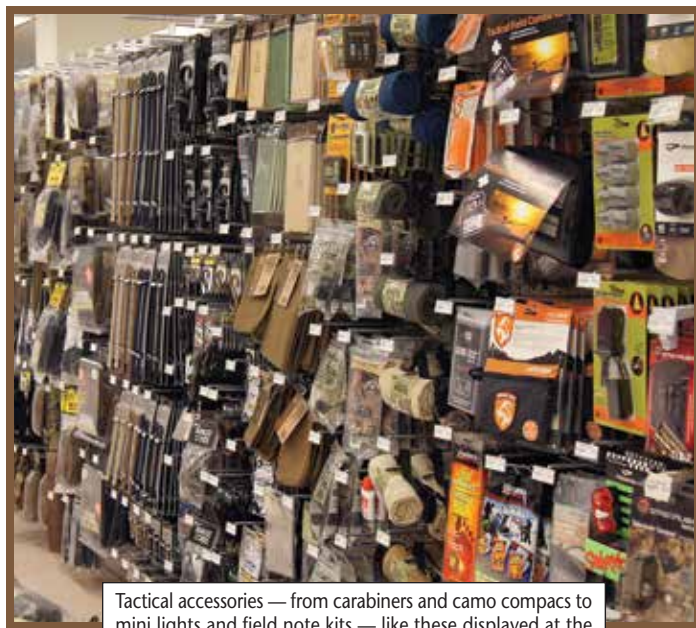


## Mission-Essential Category

## Gets Strategic Shift

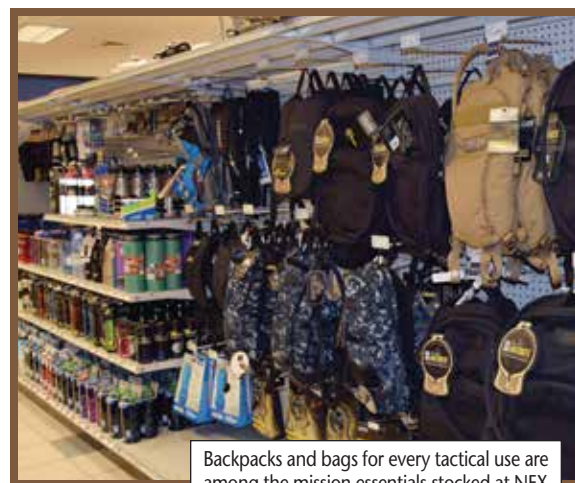


Tactical accessories — from carabiners and camo compacts to mini lights and field note kits — like these displayed at the NS Norfolk, Va., Main Store, generated the bulk of unit sales.

From Bangor, Wash., to Bahrain and beyond, Navy Exchange Service Command (NEXCOM) tactical departments are adept at ensuring their patrons have the products they want for their respective missions — whether Pilot, Seabee, SEAL or regular Sailor — wherever they serve, just when they need them, and at a savings versus outside the wire. NEXCOM's tactical department has also adjusted its sails, and planograms, to allow more flexibility to highlight hot categories and be "first-to-market" with new products and suppliers.

Lisa Matthews, who was NEXCOM's tactical buyer through July, reported that category sales through fiscal 2018's Week 26, ending Aug. 4, 2018, were \$4.24 million overall, down about one quarter of a percent from the prior year. Unit volume, however, had dipped, from 205,671 units last year to 192,151 this year, a 6.57-percent decrease (see chart). As of July, Courtney Batte, formerly the pet category buyer, had assumed responsibility for the tactical category.

"Overall sales in the tactical category are flat to last year," Matthews said. "The fleet locations have been negatively impacted due to ship movement. Our top locations have seen fewer ships in port than last year, which has impacted business." Thus far in fiscal 2018, five of the 10 top NEXCOM stores by sales volume were overseas operations (see chart).



Backpacks and bags for every tactical use are among the mission essentials stocked at NEX Little Creek, JEB Little Creek, Fort Story, Va.

NEXCOM PHOTOS

### RIMPAC

NEXCOM reported that tactical sales at Pearl Harbor during fiscal 2018's biennial "Rim of the Pacific" (RIMPAC) exercises were \$186,459, a better than 76-percent increase from the \$105,751 in sales generated in the preceding non-RIMPAC year.

Reviewing tactical sales through early August of fiscal 2018, Matthews said, "The big wins for spring have been the 42.7-percent increase in sales dollars that we have seen with the additional styles added to the planogram in 2017 from Mechanix Wear. We added additional SKUs in the spring from Mechanix Wear and expect to see continued growth."

Matthews said that in the last few years, "We have seen exceptional growth in the packs/organizer business, but so far this year business in this category is flat," with sales down 0.79 percent. "We updated the planogram earlier in the spring and expanded the space devoted to the pack/organizer category. We increased facings in key styles, optimized poor performers and fill rates plus added Blackhawk, an iconic brand within tactical that offers high-quality accessories and packs, which will be a great addition to our vendor mix."

Along those lines, Matthews said that tactical accessories, hydration and knives are updated annually. "We are creating flex space within our category planogram sets that will give us the flexibility to react to new innovative product introductions, highlight categories, and launch new suppliers and product."

Matthews added that the ability to test new suppliers and product "is critical to the continued growth of this category. This shift in business strategy will ensure that we are 'first to market,' and not force us to wait on the next planogram update."

### PATRON REQUESTS

NEXCOM's tactical business allows for requests for products from those using these items. "If we get a specific accessory request from a command, we make every effort to accommodate," Matthews noted. "We place special orders and in some cases, will add the products to the planograms if the need warrants it be in stock daily."

A close relationship with vendors is key to the success of NEXCOM's tactical department. "We have a number of vendors who routinely offer demos and events in our stores," she said. "The offering can range from hydration sampling and knife engraving to gifts with purchase and in-store giveaways."



Matthews

For bestsellers and more, see charts below

### NEXCOM Fiscal YTD 2018 Top-10 Tactical Suppliers by Dollar Volume

Product	FYTD18 Sales	FYTD17 Sales	% Change
1) Sandpiper of California	\$816,443	\$855,277	-4.54%
2) Tactical Superstores (TGD)	\$743,012	\$671,906	+10.58%
3) Gerber Legendary Blades	\$418,574	\$419,965	-0.33%
4) 5.11 Tactical Inc.	\$263,984	\$215,571	+22.46%
5) Streamlight Inc.	\$257,156	\$217,775	18.08%
6) SOG Specialty Knives	\$215,010	\$205,448	+4.65%
7) Mechanix Wear (Ana Sport)	\$200,541	\$140,552	+42.68%
8) Leatherman Tool	\$191,718	\$204,095	-6.06%
9) Nite Ize Inc.	\$170,496	\$218,198	-21.86%
10) McNett Corporation	\$148,821	\$173,796	-14.31%

\* Through Week 26, ending Aug. 4, 2018.

Source: NEXCOM

### NEXCOM FYTD 2018 Tactical Sales Top 10 Locations by Dollar Volume

Location	FYTD18 Sales	FYTD17 Sales	% Change
1) Pearl Harbor Mall, JB Pearl Harbor-Hickam, Hawaii	\$360,653	\$332,644	+8.42%
2) NS Norfolk, Va., Main Store	\$242,791	\$266,391	-8.86%
3) NSA Bahrain Main Store	\$213,914	\$192,364	+11.19%
4) Camp Lemonnier, Djibouti, CJTF-H.O.A.	\$183,154	\$202,769	-9.67%
5) FA Yokosuka, Japan, Fleet Store	\$165,374	\$159,115	+3.93%
6) NB San Diego, Calif., Home Store	\$162,635	\$170,066	-4.37%
7) NB San Diego, Calif., Fleet Store	\$127,550	\$119,596	+6.65%
8) NEX Guam Home Center, JR Marianas	\$110,809	\$128,054	-13.47%
9) NAS North Island, Calif., Main Store	\$110,462	\$117,969	-6.36%
10) NAS Pensacola, Fla., Fleet Store	\$101,002	\$86,900	+16.23%

\* Through Week 26, ending Aug. 4, 2018.

Source: NEXCOM

# NEXCOM Tactical Gear Update

## NEXCOM FYTD 2018 Tactical Sales By Subcategory Unit Volume

Tactical Subcategory	FYTD18 Units	FYTD17 Units	% Change
Accessories	47,987	56,077	-14.43%
Knives	40,426	42,134	-4.05%
Tactical Wear	26,145	23,790	+9.90%
Field Equipment	23,694	24,123	-1.78%
Packs/Organizers	16,472	16,797	-1.93%
Health and Comfort	15,750	20,642	-23.70%
Lights	15,552	18,107	-14.11%
Safety	4,496	3,757	+19.67%
Other Tactical	48	16	+200.00%
Other	1,581	228	+593.42%
<b>Total</b>	<b>192,151</b>	<b>205,671</b>	<b>-6.57%</b>

Note: According to NEXCOM, the "Other" categories listed on the chart contain "a handful of items that do not fit into the other classes."

\* Through Week 26, ending Aug. 4, 2018.

Source: NEXCOM

## NEXCOM Fiscal YTD 2018 Tactical Sales By Subcategory Dollar Volume

Tactical Subcategory	FYTD18 Sales	FYTD17 Sales	% Change
Knives	\$1,235,642	\$1,273,193	-2.95%
Packs/Organizers	\$1,062,658	\$1,071,138	-0.79%
Tactical Wear	\$559,670	\$512,490	+9.21%
Lights	\$417,422	\$439,311	-4.98%
Accessories	\$355,835	\$367,053	-3.06%
Field Equipment	\$339,110	\$320,459	+5.82%
Health and Comfort	\$162,141	\$197,049	-17.72%
Safety	\$71,077	\$64,035	+11.00%
Other Tactical	\$1,618	\$560	+189.06%
Other	\$38,880	\$11,113	+249.85%
<b>Total</b>	<b>\$4,244,053</b>	<b>\$4,256,401</b>	<b>-0.29%</b>

Note: According to NEXCOM, the "Other" categories listed on the chart contain "a handful of items that do not fit into the other classes."

\* Through Week 26, ending Aug. 4, 2018.

Source: NEXCOM

## NEXCOM Fiscal YTD 2018 Tactical Sales Top-20 Best-Selling Items by Dollar Volume

Product	FYTD18 Sales	FYTD17 Sales	% Change
1) Bugout Bag Backpack	\$126,164	\$144,208	-12.51%
2) Three-Day Backpack	\$104,840	\$107,884	-2.82%
3) Sandpiper Loadout Duffel Bag	\$79,920	\$107,495	-25.65%
4) Bugout Bag (coyote brown)	\$73,361	\$70,654	+3.83%
5) Sandpiper 3-Day Elite Bag (black)	\$73,152	\$81,565	-10.31%
6) 3-Day Pass Pack (coyote brown)	\$65,565	\$58,231	+12.59%
7) Gerber Multi-Tool Suspension Pliers with Sheath (stainless steel)	\$49,754	\$47,345	+5.09%
8) Streamlight Night Com High-Intensity LED Flashlight	\$49,079	\$44,145	+11.18%
9) Sandpiper Short-Range Bugout Bag (black)	\$46,876	\$58,667	-20.10%
10) Blackhawk Credentials Lanyard (black)	\$40,600	\$34,486	+17.73%
11) Streamlight Protac HL USB	\$38,159	\$18,234	+109.28
12) Sandpiper 3-Day Elite Lite Backpack (black)	\$37,719	\$35,559	+6.07%
13) Rite in the Rain All-Weather Pen	\$37,546	\$36,606	+2.57%
14) Lithium Batteries (12-pack)	\$34,562	\$19,422	+77.95%
15) Leatherman SuperTool 300 (black finish)	\$34,258	\$38,670	-11.41%
16) Princeton Tec Remix Headlamp (black)	\$32,952	\$25,473	+29.36%
17) Mechanix Wear M-Pac T2 Heavy Duty Med Gloves	\$32,599	\$28,885	+12.86%
18) 5.11 Rush 12 Backpack	\$32,174	\$17,841	+80.34%
19) Rite In the Rain 980 Field Book Kit with Cover and Pen (black)	\$30,860	\$19,689	+56.74%
20) 5.11 Rush 72 Backpack (black)	\$20,136	\$33,705	-10.59%

\* Through Week 26, ending Aug. 4, 2018.

Source: NEXCOM