

SALES VIGOR

EMULATES CATEGORY CHARACTERISTICS



Lamers

With strong sales during fiscal 2014 and a good performance thus far in fiscal 2015, the Army & Air Force Exchange Service's (AAFES) sports nutrition and vitamins and supplements assortment appears primed for continued sales vigor during the remainder of the current fiscal year.

SPORTS NUTRITION

Lisa Lamers, AAFES's buyer responsible for vitamins and sports nutrition products, reported that fiscal year-to-date sports nutrition category sales through mid summer were already more than half of their \$42.9 million fiscal 2014 total.

"Sports nutrition includes a variety of items utilized by customers when they exercise to decrease body fat and increase muscle tone," as well as enhancing performance and aiding recovery, Lamers noted. "Some of the major subcategories in sports nutrition include protein powders, pre-workout supplements, and weight management supplements.

"In the vitamins/supplements category, advertising by national brand manufacturers as well as numerous promotions in our weekly sales tabloids, and price cuts, contribute to vitamin sales," Lamers explained. "Doctor recommendations and celebrity doctor endorsements also play a role in the popularity of many vitamins."

BRANDED, PRIVATE LABEL PRODUCTS

In addition, the buyer said that the Exchange "has strong customer loyalty and competitive pricing" on its Exchange Select brand, with sales of private label vitamins accounting for approximately 17 percent of total vitamin category sales, although few ranked among the top sellers by dollar volume. Overall private label dollar volume penetration in the U.S. stood at 17.5 percent according to The Nielsen Global Private-label Survey, Feb. 7-March 7, 2014.

Eighteen of the top 20 sellers consisted of name-brand items. Lamers said the Exchange's assortment includes all the top brands in these both category areas.

"We have a variety of items to meet the needs of the various customer demographics we serve," she stated. "For example, we offer multivitamins for children, adults and adults over 50. The items we stock are very similar to those that are found at stores outside the gate.

"We offer the best-selling items in all of the major segments in the vitamin category to include multivitamins, letters and minerals, herbal supplements, and specialty vitamins. We want to be a one-stop destination for vitamin customers."

TOP SELLERS

Lamers said that through early July, multivitamins, melatonin, fish oil and Omega-3 supplements were

among AAFES's best sellers in unit volume. "In addition, energy shots — in the supplement category as opposed to energy drinks, which are purchased by the beverages team — rank high for us."

AAFES Fiscal 2015 Top-Selling Vitamins By Dollar Volume

- 1) Sundown Triple Omega 3-6-9
- 2) One A Day Men's Health Formula Multivitamins
- 3) Centrum Adult Multivitamin
- 4) Osteo Bi-Flex Triple Strength
- 5) Exchange Select Glucosamine Chondroitin Triple Strength
- 6) Centrum Silver Women
- 7) Centrum Ultra Silver Men
- 8) Sundown Fish Oil Soft Gel (1,200 MG)
- 9) Sundown Mercury Free Fish Oil (1,000 MG)
- 10) Centrum Men Multivitamin/Multimineral
- 11) One A Day Men's VitaCraves
- 12) One a Day Women's Multivitamins
- 13) Centrum Silver 50-Plus
- 14) Exchange Select Glucosamine Chondroitin Double Strength
- 15) One a Day Men's Pro Edge
- 16) One a Day Women's Prenatal Vitamins
- 17) Nature Made Max Strength Melatonin (5 MG)
- 18) Nature Made Fish Oil (1,200 MG)
- 19) Sundown Vitamin D Softgel (2,000 IU)
- 20) One A Day Women's VitaCraves

Note: Current as of July 10, 2015.
Source: AAFES

"Cellucor C4 continues to be our best-selling pre-workout item, with five flavors ranking in our top-10 sports nutrition products by unit volume list," Lamers said. "This line was recently reformulated to keep it relevant to the sports nutrition customer."

The buyer said that overall, sports nutrition has become "much more mainstream" than in years past. "Products like C4 and Whey Protein are purchased by many people who want to get in shape or stay in shape, in addition to the traditional bodybuilder consumer," she explained.

PROMOTIONS

"The Exchange advertises vitamins on a regular basis in our weekly tabloid and utilizes unadvertised price cuts," Lamers noted. "Discounts range from 20-percent to 50-percent off in a given

promotion. Larger discounts tend to lead to larger lifts, so our 50-percent-off promotions are the most successful."

OPERATION SUPPLEMENT SAFETY

With all the successes that sports nutrition and vitamins and supplements have generated, safety in the selection of these products is of maximum importance and has come under considerable media scrutiny.

"These categories are regulated by the Food and Drug Administration (FDA) under the Dietary Supplement Health Education Act (DSHEA)," Lamers explained. "We utilize published data from the FDA to ensure there are no published negative or adverse reports regarding the item(s)."

In addition, the buyer said that precautionary notices are posted on shelves to educate customers in the proper use of dietary supplements.

"The Exchange is also working with our sister exchanges to provide supplement safety information from the Department of Defense's (DoD) Operation Supplement Safety (OPSS) website to assist customers in making informed decisions when buying and using supplements," Lamers said.

Even with all of these precautions in place, there are times when items are found not to be safe. When such an incident occurs, and an item is recalled by the FDA or voluntarily by a manufacturer, Lamers said, "We work closely with our Quality Assurance (QA) team to advise stores to pull the product from shelves quickly.

"Retail Point of Sale (RPOS) blocks stores from selling items that have been recalled in the event they have not yet reacted to the recall notice."

—E and C NEWS

Vitamins and supplements, such as these displayed at Schofield Barracks, Hawaii, generated \$6.1 million in fiscal 2015 sales in AAFES stores through July 10, 2015 after recording \$13 million in activity during the entirety of fiscal 2014.



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