



DEPARTMENT OF THE NAVY
NAVY EXCHANGE SERVICE COMMAND
3280 VIRGINIA BEACH BOULEVARD
VIRGINIA BEACH, VA 23452-5724

NEXCOMINST 4067.2

A:CV

FEB 16 2016

NEXCOM INSTRUCTION 4067.2

From: Chief Executive Officer, Navy Exchange Service Command

Subj: NEXCOM SHIPS STORE MERCHANDISING AND BRANDING STANDARDS

Ref: (a) Ships Store Merchandising and Branding Standards
Version 1

1. Purpose. To provide standards to be used in the merchandising and branding of ships stores. Reference (a) provides those policies and practices for use by fleet Ships Servicemen (SH) when operating a ships store retail outlet.

2. Background. Reference (a) consolidates the knowledge, policies, procedures, and standards that were contained in two separate internal Navy Exchange Service Command (NEXCOM) ships store reference Publications (Publication 81 and Publication 90-33). Combining these two internal publications allows for the ships stores to have one common document that can be used as a reference and sets the standards on how to merchandise and brand a ships store retail outlet.

3. Action. SH Personnel afloat and ashore, managing and operating a ships store retail outlet, will utilize reference (a) to apply standards in the branding and merchandising areas immediately. Reference (a) incorporates previous internal publication numbers 81 and 90-33 that have been referenced in the Naval Supply Systems Command P-487 and is the document ships are required to have onboard for inspections and/or evaluations. NEXCOM's Ships Store Program is the Program Manager and will provide additional guidance as required, as well as any modifications to reference (a) as circumstances dictate.

R. J. BIANCHI
Chief Executive Officer

FEB 16 2016

Distribution:

NEXCOMINST 5218.1

List 1 (Group Directors/Staff Assistants & Direct Reports)

COMNAVAIRFOR (N41)

COMNAVSURFLANT (N41)

COMNAVSURFPAC (N41)

COMNAVSUBPAC (N41)

Fleet ships with ROM 3

Copy to:

COMNAVSUPSYSCOM (N3/4)

DFAS

Stocked:

Electronic only via NEXCOM website

<https://intranet.nexad.nexweb.us/>

/NEXCOM SHIPS STORE

**MERCHANDISING AND BRANDING STANDARDS
VERSION 1**



SHIPS STORE STANDARDS & DISCIPLINES

Contents

| | |
|--|----|
| Introduction | 3 |
| Purpose of Merchandising | 4 |
| Store and Floor PlanningCommodity Break Down | 5 |
| Commodity Break Down | 7 |
| Positioning of Merchandise and Merchandising Flow | 8 |
| Example of Layouts | 10 |
| CVN | 10 |
| LHA | 11 |
| LHD | 12 |
| LPD | 13 |
| LSD | 13 |
| DDG | 15 |
| CG | 16 |
| Merchandising Techniques | 17 |
| Merchandising Tips | 19 |
| Display of Merchandise | 19 |
| Management of Stock | 20 |
| Appearance of Fullness with Minimal Inventory | 21 |
| Operational Standards per Commodity | 22 |
| Candy – Single Bar and Bag | 23 |
| Chips and Dip | 24 |
| Salty Snacks – Non Chip | 25 |
| Grocery Nuts | 25 |
| Meat Snacks | 26 |
| Cookies and Crackers | 28 |
| Convenience Food | 28 |
| Sweet Goods - Cakes | 29 |
| Beverages | 30 |
| Sports Nutrition | 32 |
| Ice Cream | 32 |
| Small Store Snack Combo Set | 34 |
| Oral Care | 34 |

SHIPS STORE STANDARDS & DISCIPLINES

| | |
|--|-----------|
| Shave and Feminine Hygiene | 36 |
| Personal Care | 37 |
| Hair Care..... | 37 |
| Foot and Shoe | 38 |
| Household Supplies | 39 |
| Small Store HBA Combo Set | 40 |
| Audio and Video Electronics | 41 |
| High Dollar Lock-Up..... | 42 |
| Softlines and Uniforms | 43 |
| Visual Merchandising | 45 |
| Display Accessories..... | 47 |
| Clothes Hangars, Size Rings, and Cap Displayer | 48 |
| Shirt Folding Board..... | 49 |
| U-Bar and Face Out | 49 |
| Forms | 50 |
| Hang Tags | 50 |
| Pegs and Label Holders | 51 |
| Shelving | 52 |
| Cigarette Dispenser | 56 |
| Ships Stores Afloat Shopping Guide..... | 57 |
| Overview..... | 57 |
| Procurement..... | 57 |
| Shopping Guide Departmental Listings..... | 58 |
| Maximum Line Item Count for CG/DDG | 59 |
| Maximum Line Item Count for AS/LPD/LSD | 60 |
| Maximum Line Item Count for LCC, LHA, LHD, CVN | 61 |
| Shopping Guide | 62 |
| Postface | 64 |

SHIPS STORE STANDARDS & DISCIPLINES

Introduction

The mission of the Ship's Stores Program is to provide quality goods at a savings; to provide quality services necessary for day to day living; to provide funding for afloat recreation needs, and to promote good morale.

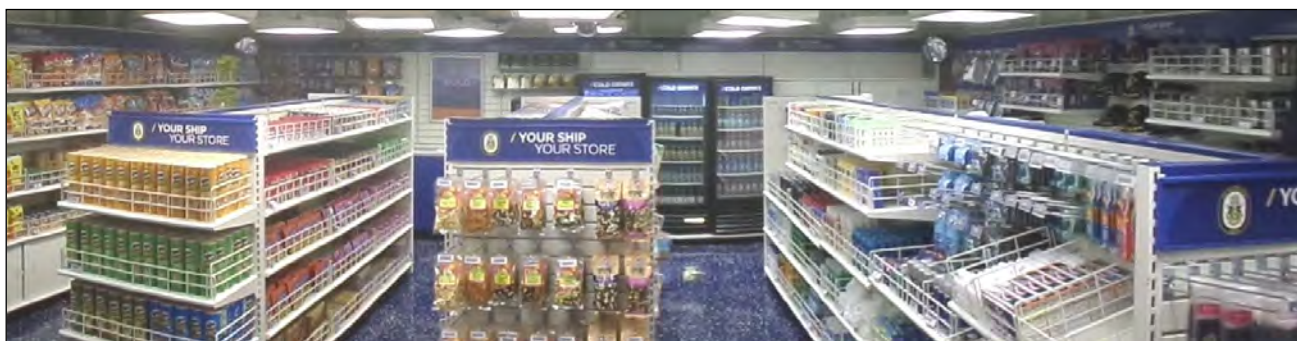
The first part of the mission "providing quality goods at a savings" is found mostly in the Ship's Store onboard US Naval ships. The Ship's Store is a quality of life for the crew members, and it carries basic items such as soap, shampoo, and toothpaste. The store can also carry a limited selection of semi-luxury items such as watches and consumer electronics. Ship's Stores are profit authorized government-funded appropriated activities. Profits generated from sales in ship's stores are turned over to the ship's Moral Welfare and Recreation (MWR) program to enhance the crew morale.

With the above being our marching orders, how do we proceed? Due to the different sizes of the ship's store and personnel onboard the ships, information in this book is provided as guidance on how to/what to properly procure for resale, and how to merchandise these products. **It is very important to realize that this space defined as a Ship's Store is a retail entity, not a glorified storeroom.** Retail strategies are an important function of creating the "profit" that will assist in enhancing the crew's morale.

It is no accident that that some retailers are shutting their doors, mostly because they are not able to be relative in the present environment. With more opportunities for customers to purchase merchandise from internet based stores, our customers are demanding a better shopping experience. An experience with appeal, escapism, and an appearance of somewhere they would visit in-port.

Retail is in constant flux, both with merchandise and with strategies. It is important to be able to flex as the time changes to enhance the deliverables for our ships store, who we serve, and to ourselves.

SHIPS STORE STANDARDS & DISCIPLINES



Purpose of Merchandising

Merchandising is the art of presenting merchandise in such a manner that is:

- Appealing - Attractive to the eye
- Clean, fresh, and inviting
- Easily seen
- Properly arranged
- Quickly identified
- Productive

Retailers rely on strong merchandising to aid in selling product in a short time, understanding that they only have 7-10 seconds to capture and impress a potential customer. The selling process begins with an eye-pleasing presentation which captures the consumers' attention. It then simplifies the selection process, which leads to achieving the sale. Merchandising is opinionated and takes in consideration the above, the customer's expectation and companies directives. Merchandising directives change when those considerations change.

There are several functions that are including in Merchandising:

- Store / Floor Planning
- Fixturing
- Allocation of Space
- Product Positioning
- Visual Merchandising, including labeling



SHIPS STORE STANDARDS & DISCIPLINES

Store and Floor Planning

Merchandise presentation begins with the proper use of available fixtures and space. Space aboard ship is at a premium and every square inch of the ship's store should be used to its fullest capacity.

Proper space allocation means maximum sales and customer convenience. To accomplish this:

- Refer to the back portion of this book titled, "Ships Stores Afloat Shopping Guide"; this section provides information on procurement and provides the maximum line item count to carry by ship class.
- Use the item's rate of sale and number of items that will fit in a given area to determine the space needed for each commodity in the ship's store. IE: Candy will always have more retail space than Sporting Goods. Chips will take up more space than crackers.
- Develop a model stock plan based on a merchandise layout that will promote customer flow, provide an attractive selling environment, and place items convenient to the customer.

All items that have similar uses or purposes should be displayed and group together. Merchandise correlation will remind customers to purchase items they may have forgotten and/or needed; and will provide the customer with the best option to pick up a supporting item such as adding an unplanned purchase to their sale. This is considered an impulse buy.

Merchandise Adjacencies are the basic correlating of merchandise. These groupings may need to be combined due to space restraints in one's ship's store. Keep the groupings in one of these four groups:

- Food
- Health Aids and Household
- Hard Lines
- Soft Lines
- Miscellaneous (displayed either behind the counter or on an end cap)

The "Commodity" break down of items are listed on pages 5 and 6; this information provides guidance of what merchandise types are contained in each grouping. No matter the size of the store, each commodity is grouped and merchandised within each relationship. For example, in a small store, dental floss hangs next to toothbrushes with toothpaste on the shelf below and mouthwash next to it, or below it.

SHIPS STORE STANDARDS & DISCIPLINES

Commodity Break Down

FOOD

1. Candy
 - a. Bar/Pegged/Bagged
 - b. Gum/Mints
 - c. Fruit Snacks
2. Nuts and Fruit
 - a. Nuts – pegged and cans
 - b. Trail Mix
 - c. Fruit
3. Cookies/Crackers
 - a. Cookies
 - b. Crackers
 - c. Can Aerosol cheese
4. Sweet Goods
 - a. Hostess/ Lil Debbie
 - b. Baked Goods
 - c. Pop Tarts
 - d. Rice Crispy Treats
5. Convenience Food
 - a. Ramen
 - b. Microwavable food incl. soup
 - c. Canned Meats
 - d. Fish
 - e. Lunch Kits
6. Chips
 - a. Large/Small bags
 - b. Canisters
 - c. Dips
7. Snacks
 - a. Pretzels
 - b. Popcorn
 - c. Snack Mixes i.e. Chex Mix
 - d. Misc. snacks i.e. Andy Capp
8. Meat Snacks
 - a. Pegged Jerky
 - b. Stick Meat Snacks
9. Sport Nutrition
 - a. Nutrition Bars
 - b. Supplement Powder
 - c. 5 Hour Energy Shots

HEALTH AIDS & HOUSEHOLDS

10. Shaving & Feminine Hygiene
 - a. Shaving cream (Male & Female)
 - b. Disposable Razors
 - c. Razor Kits
 - d. Razor Blades
 - e. After shave lotion
 - f. Feminine Hygiene products
11. Dental
 - a. Toothpaste
 - b. Toothbrush & Toothbrush Holder
 - c. Mouthwash
 - d. Dental Floss
 - e. Lip Balm
12. Hair Care
 - a. Brushes and combs
 - b. Hair accessories (hair clips, wave cap, etc.)
 - c. Shampoo & Conditioner
 - d. Ethnic Hair care
 - e. Hair Gel and Mousse
13. Personal Care
 - a. Soap and Soap Boxes
 - b. Body Wash and Body Sponges
 - c. Body Lotions and Body Powder
 - d. Suntan Lotion
 - e. Deodorant and sprays
14. Foot/Shoe
 - a. Shower Shoes
 - b. Foot Spray and Powder
 - c. Shoe Insoles
 - d. Shoe Brush and Polish
 - e. Shoe Shine Kit
 - f. Implements (toe & nail clippers, tweezers, etc.)
15. Household
 - a. Laundry Detergent and Fabric Softener
 - b. Laundry Bags and Accessories
 - c. Towels and Face Clothes
 - d. Air Fresheners

SHIPS STORE STANDARDS & DISCIPLINES

Commodity Break Down

HARDLINES

- 16. Sporting Goods
 - a. Weight Belts
 - b. Weight Gloves
- 17. Hardware
 - a. Batteries
 - b. Locks
 - c. Pens/ Pencils
 - d. Games i.e. playing cards
 - e. Tools i.e. Multi-tool
- 18. Audio/Video
 - a. DVD
 - b. Portable DVD players
 - c. Headphones
 - d. Alarm Clocks
- 19. Luggage
 - a. Back Packs
 - b. Duffle Bag
 - c. Sport Bag
- 20. Tobacco Products
 - a. Humidor
 - b. Cigarettes (carton & packs)
 - c. Flints & Lighter Fluid
 - d. Lighters
 - e. Smokeless Tobacco

SOFTLINES

- 21. Emblematic Soft
 - a. Polo Shirts
 - b. Sweats Hooded, Shirts, & Pants
 - c. T-shirts & Shorts
 - d. Jackets
- 22. Emblematic Hard
 - a. Mugs & Coffee Cups
 - b. Water Bottles
 - c. Blankets
- 23. Underwear
 - a. Socks
 - b. Briefs
 - c. T-Shirts
- 24. Uniform
 - a. Breast Insignia
 - b. Cap & Collar Devices
 - c. Ships UIM (usually displayed behind register)

MISCELLANEOUS

- 25. Showcase
 - a. Watches
 - b. Cameras
 - c. Sunglasses
 - d. Cologne & Perfume
 - e. Electronic items i.e. IPAD, IPOD, etc.
 - f. Ship's Coin
- 26. End Caps
 - a. Promotes the store
 - b. Popular or Fast Selling Items
 - c. Seasonal Items
 - d. Sales/ Promotional Merchandise
 - e. Foreign Merchandise

Well planned merchandise layouts that include the above deliverables will make a Ship's Store more efficient, and will increase sales.

SHIPS STORE STANDARDS & DISCIPLINES

Positioning of Merchandise and Merchandising Flow



Adjacencies (the positioning of merchandise or merchandise flow) are an important factor contributing to the promotion of sales. It will set the atmosphere for the shopping experience. In grocery stores, usually the produce is in front and right side of the store, creating an atmosphere of “freshness”. Milk is usually in the far rear corner of the store because it is a product that is purchased most often. It draws the customers through the store so that they will pass other merchandise providing opportunity for impulse or unplanned purchases.

The same idea can be accomplished in a ship store by utilizing a merchandising layout and adjacencies. The following should be considered to promote sales (1) the entry, the register, and the exit, (even if it is the same door as the entry). These anchors dictate the direction and flow of the space; (2) the size of the store to maximize the layout, (3) the visual appeal to draw the customer to products.

SHIPS STORE STANDARDS & DISCIPLINES

Adjacency layouts per ship class are in the preceding pages. Note the following commodities on each of the layouts by ship class, as they have the biggest impact on customer flow:

When entering the store, a customer should be met with Softlines (which include emblematic items), then Health and Beauty Care (HBC). This serves as a constant reminder that customers can purchase these items in the store, rather than going to a civilian store. Also, like milk in a grocery store, we want to draw the customer through the entire space to get their food or drink.

A food group is merchandised with a distinct line change from any other grouping. Food is never merchandised with non-food items such as HBA or emblematic items, etc.

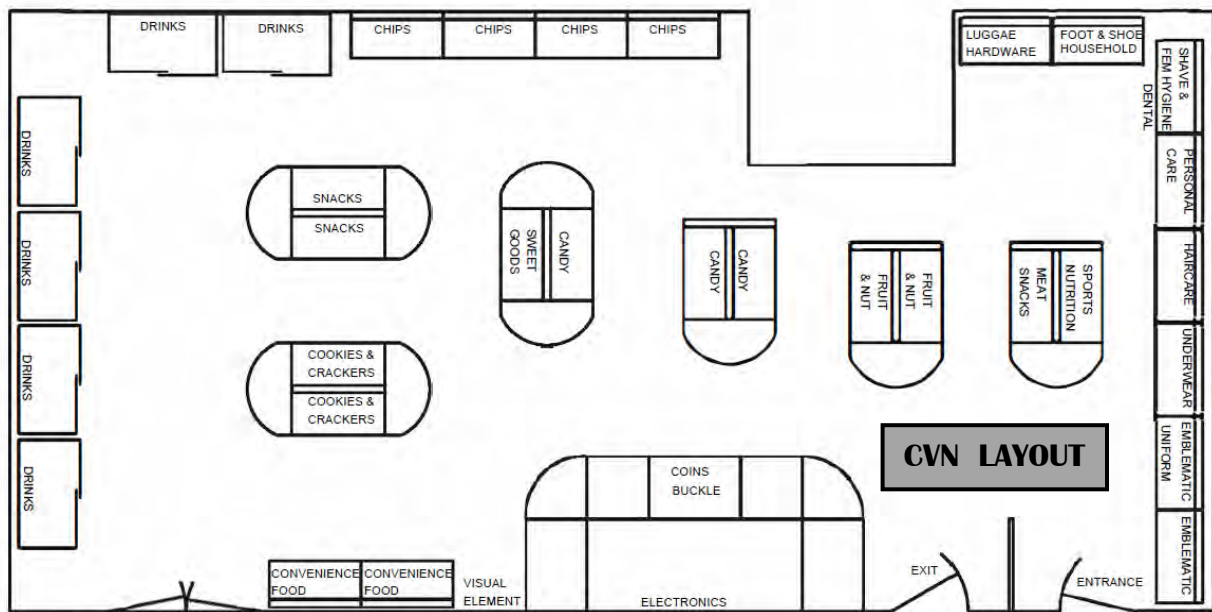
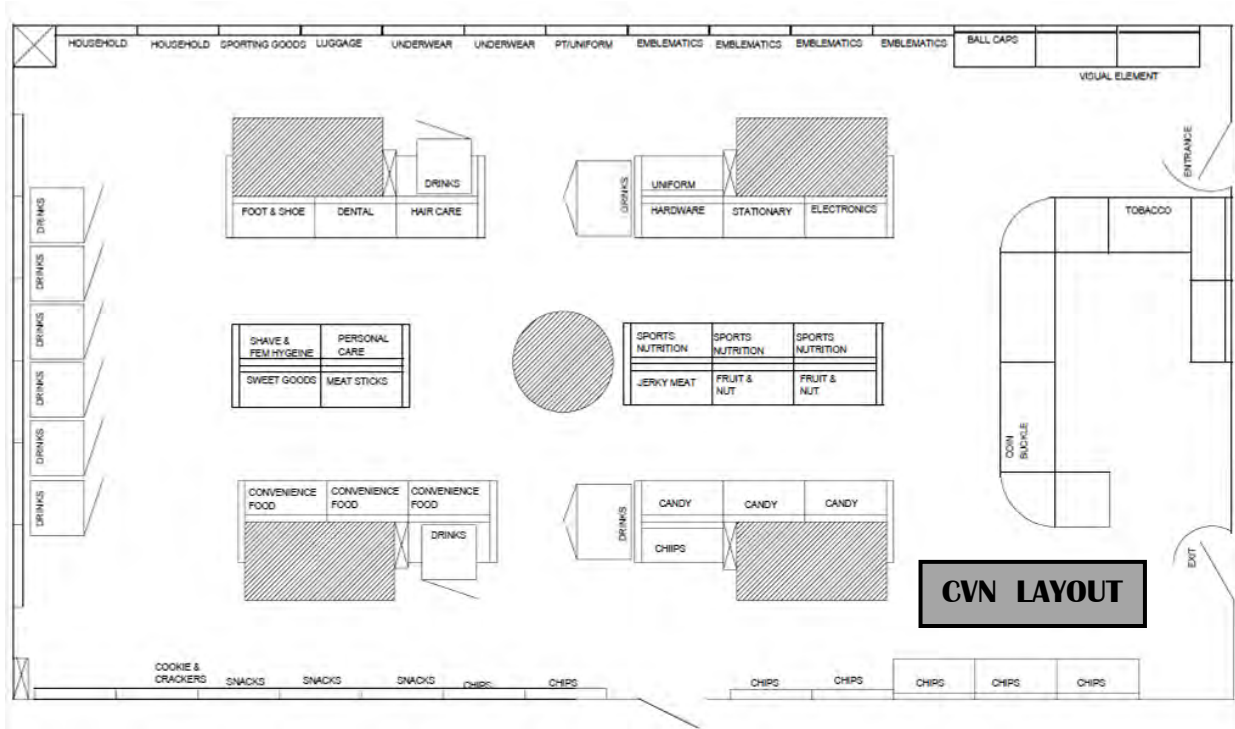
Meat Snacks, Fruits and Nuts, and Sport's Nutrition are merchandised together. In smaller ships stores, they are merchandised with the snacks, chips, or convenience food. In larger ships stores, they are merchandised in a section(s) of their own for the following reasons: (1) They are high demand items. By keeping them together, you are likely to add to the final ring amount as the customer may add on something they did not originally intend to purchase, and (2) they fall into Healthy Life Style/Better You categories. You are providing healthier snacking alternatives and better customer service.

Energy drinks and other beverages should be placed at the back of a store, if possible. This will force the customer to navigate through the entire store. However, this is not always possible in smaller ships stores. Energy drinks are a popular item. Therefore, be aware of where they are merchandised and the amount of retail space they will take up. On the other side, all items need to be merchandised on the shelves if they are to generate sales.

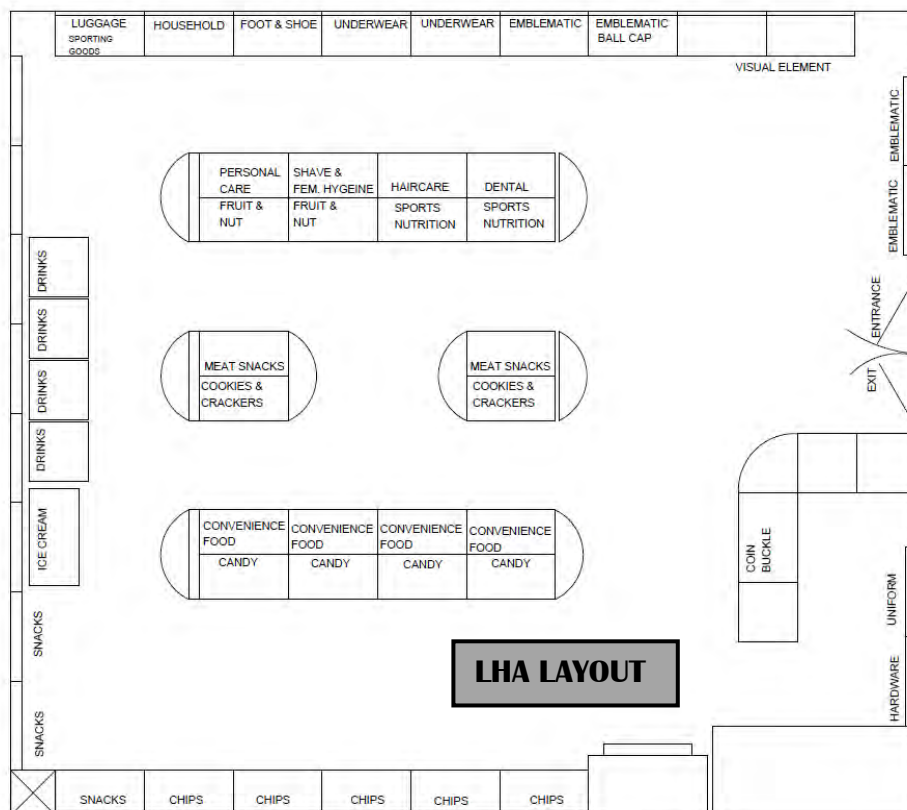


SHIPS STORE STANDARDS & DISCIPLINES

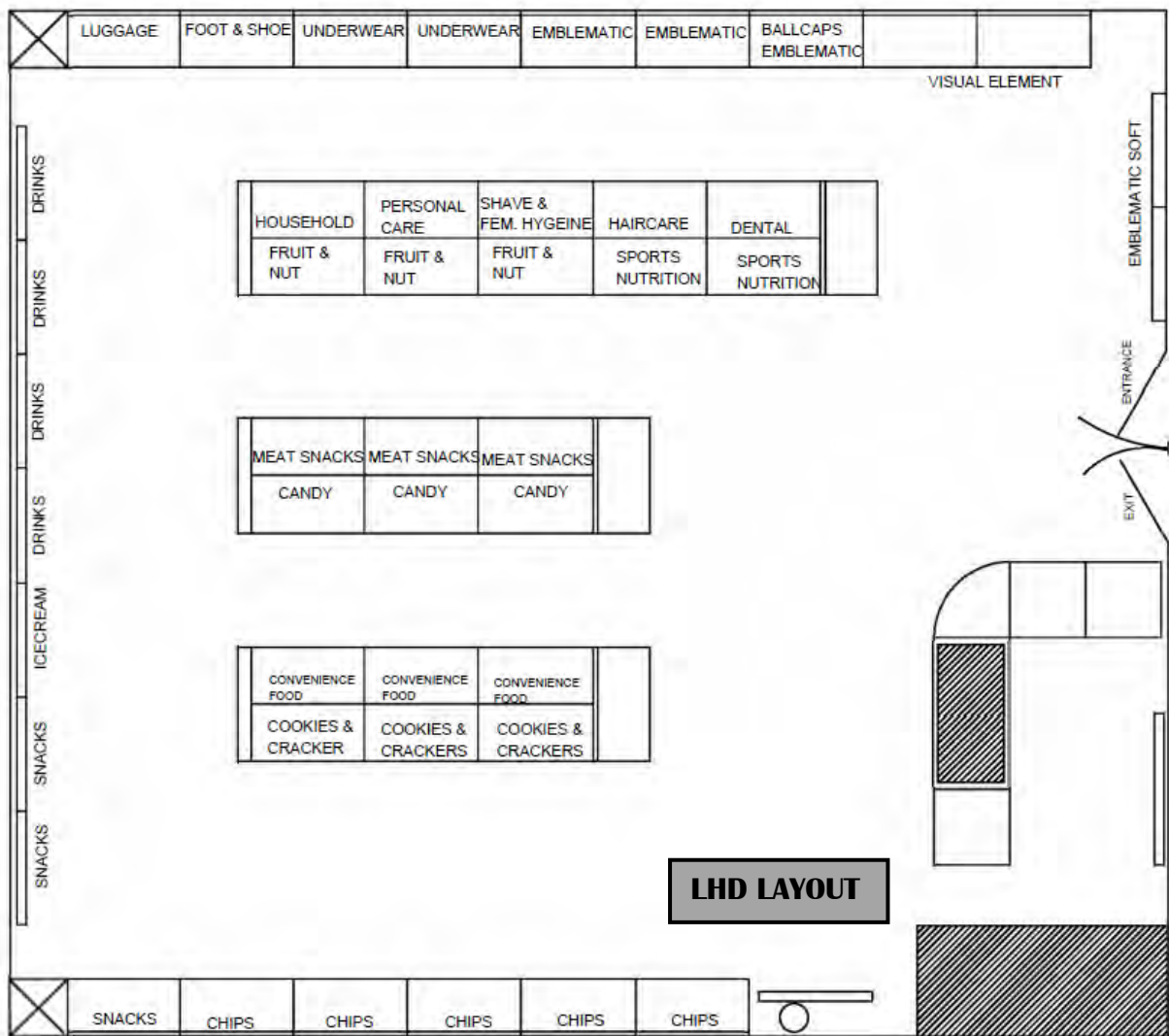
Example of Layouts



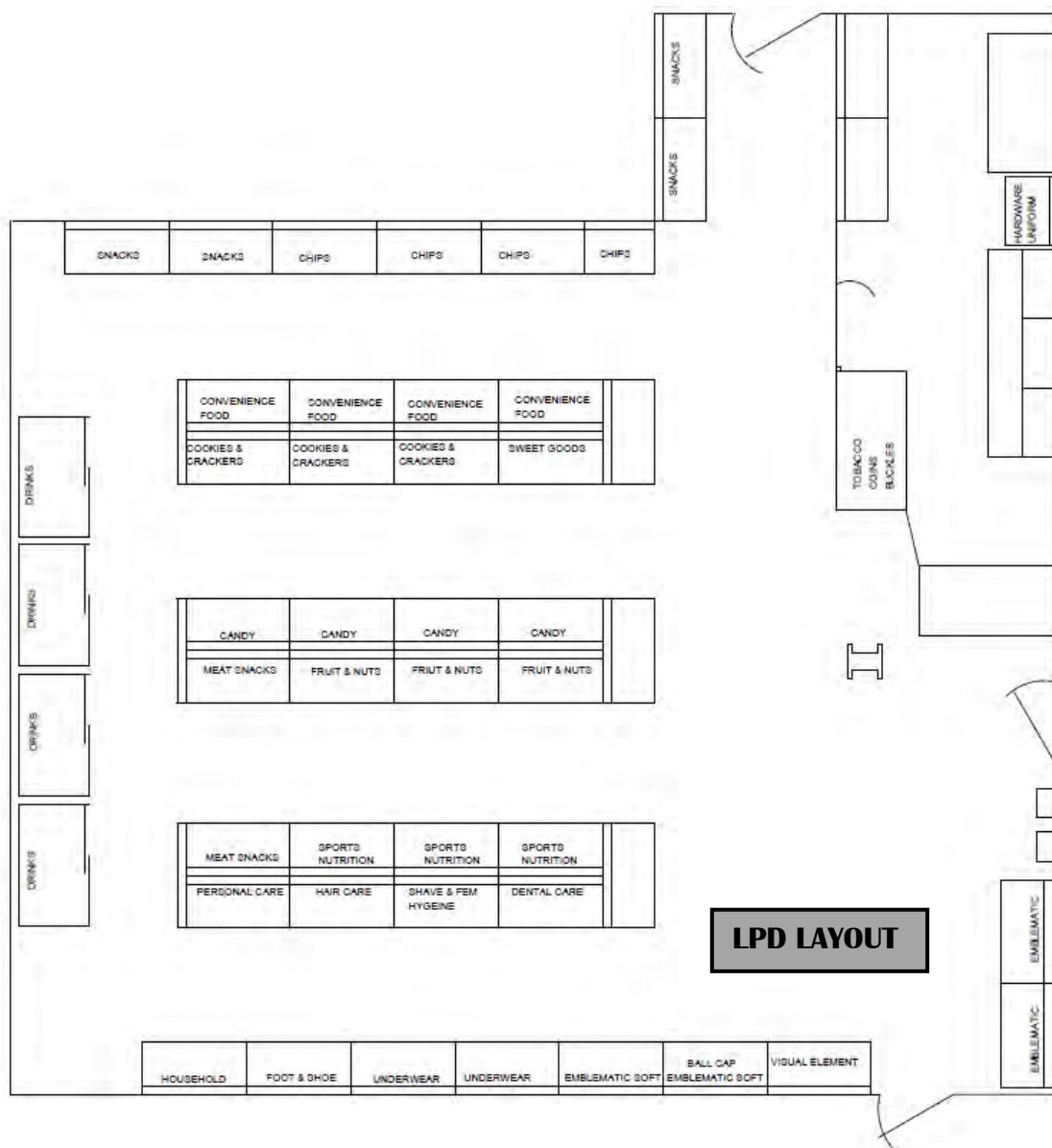
11



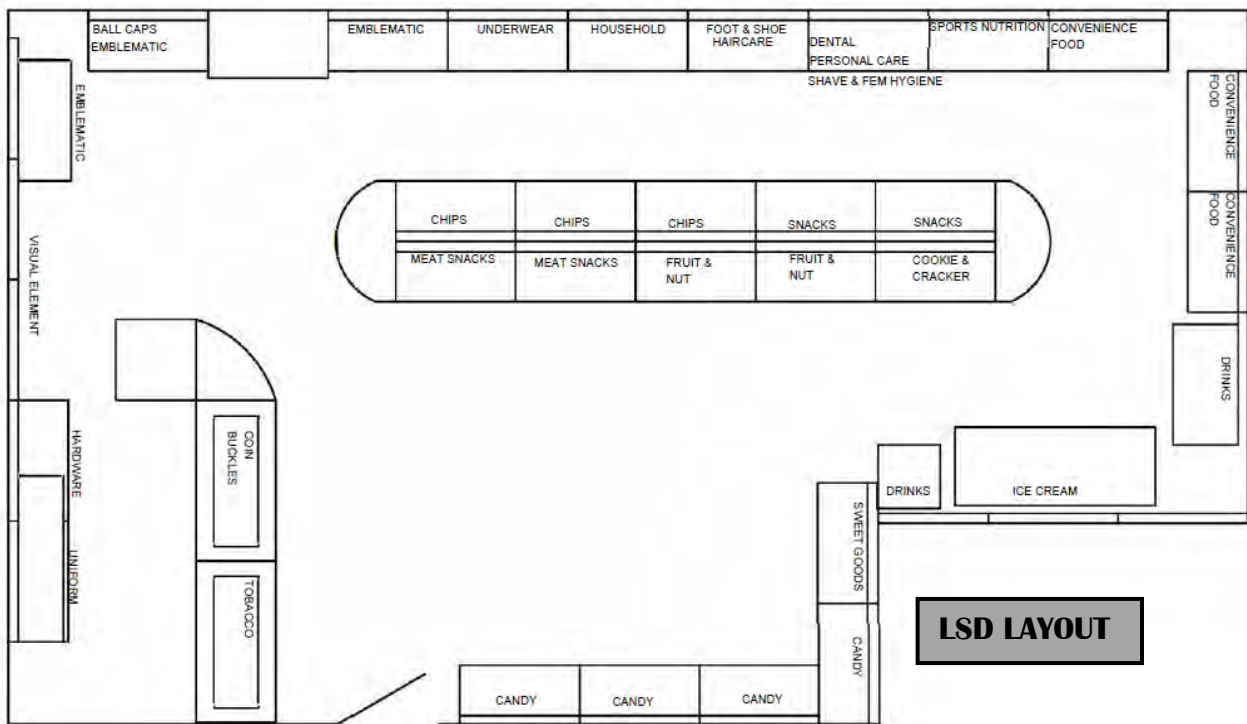
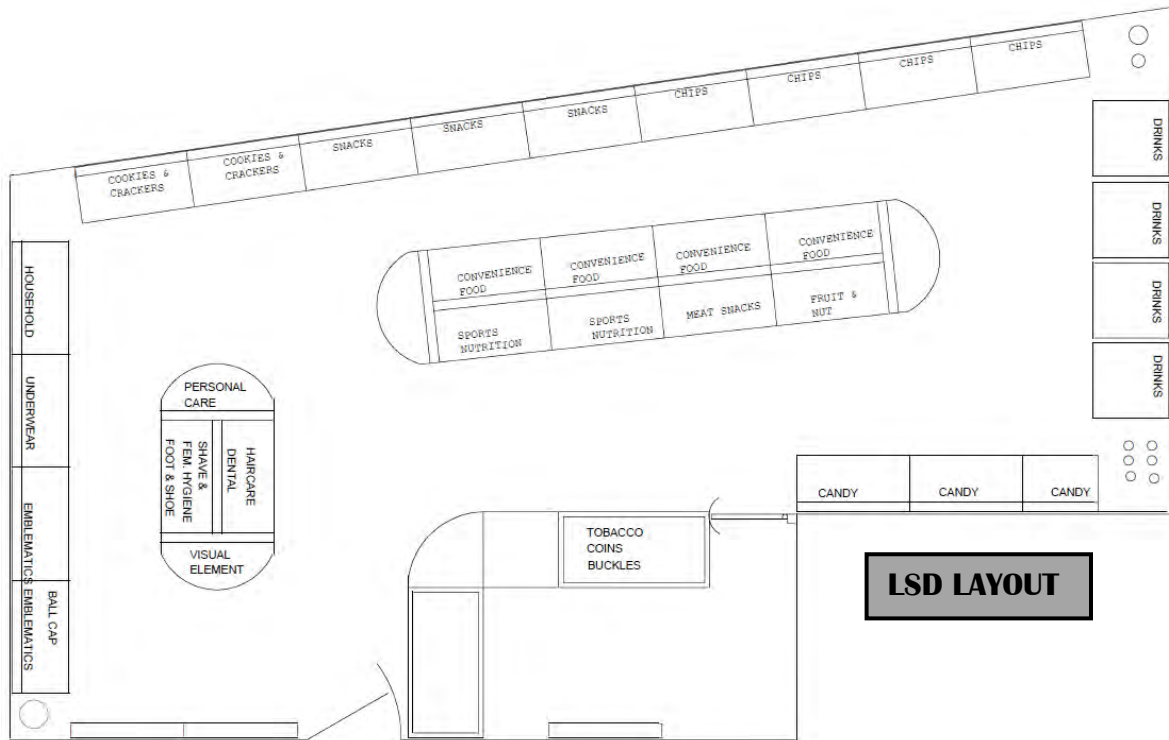
SHIPS STORE STANDARDS & DISCIPLINES



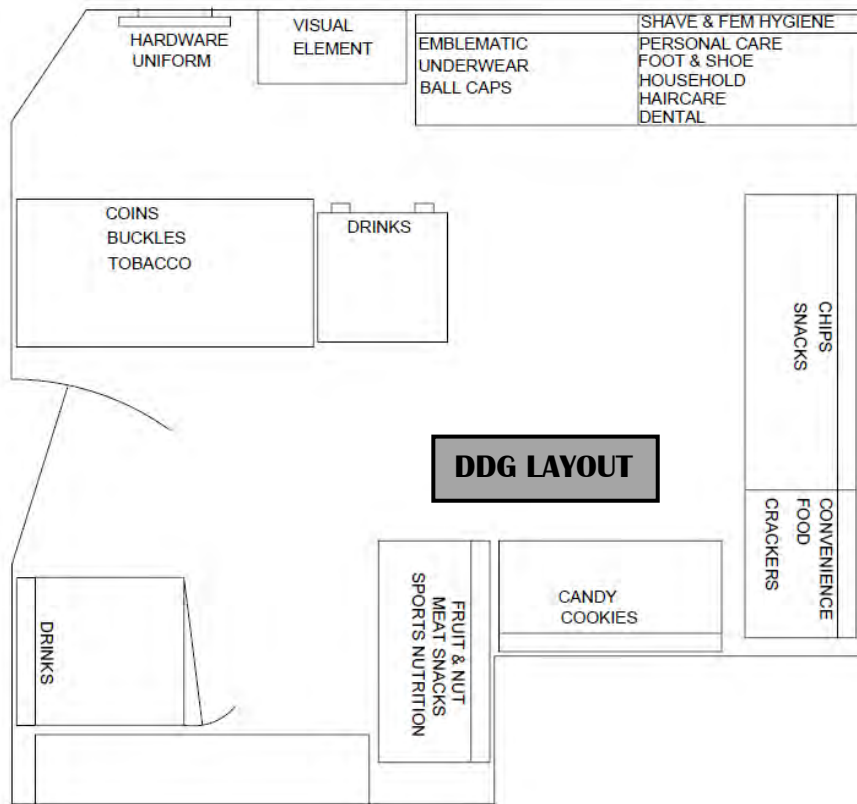
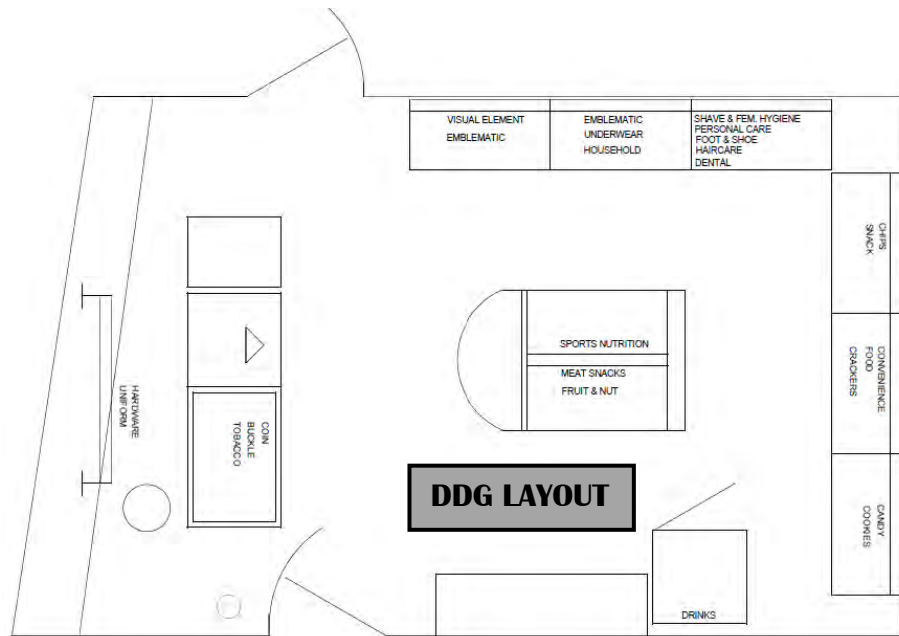
SHIPS STORE STANDARDS & DISCIPLINES



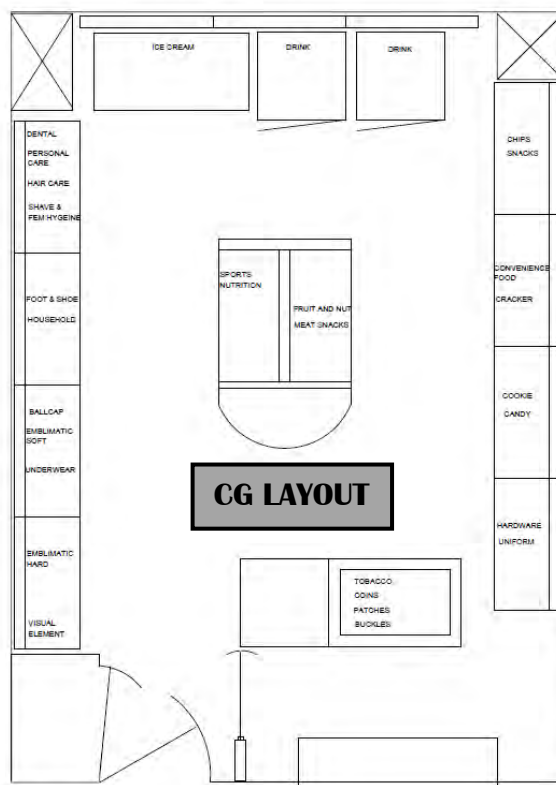
SHIPS STORE STANDARDS & DISCIPLINES



SHIPS STORE STANDARDS & DISCIPLINES



SHIPS STORE STANDARDS & DISCIPLINES



SHIPS STORE STANDARDS & DISCIPLINES

Merchandising Techniques

Placing merchandise on the shelf so that it is symmetrical and appealing takes in several things in consideration. Some quick rules are:

- Place larger items on lower shelves
- Keep small items at eye level and above
- Group items
- Minimize “air space”
- Merchandise vertically verses horizontally
- Periodically, clean the shelves

There are three basic **merchandising techniques** that are used in merchandising a commodity: **Ribbon** (vertical), **Horizontal**, and **Block**.

Sorting and/or separating of the commodity by “hierarchy” will determine which merchandise technique will be applied. A hierarchy is a sub-class within a commodity. In the candy commodity (Dept. hierarchy) one usually starts by separating the pegged candy and the bar candy, different packaging (Class hierarchy). Then the next “hierarchy” would be to separate the chocolates and the non chocolates (Sub Class hierarchy). Now there are 4 separate groups within the commodity. Next would be to separate by manufacturers, M&M Mars, Hershey’s, Brach’s, Sather’s, etc. You may have a commodity that has 8 to 12 different groups.

Upon determining these “hierarchy” groups, one can then determine what merchandising techniques would be used to properly display the commodity. Within a commodity only one technique should be used. In a ships store with many commodities, however, several merchandising techniques may be used.

1. **Ribbon.** This technique is usually used on larger platform ships in commodities such as large bag chips, jerky, batteries, headphones, etc. This is where the same item is displayed vertically from the top to the bottom of the fixtures creating a ribbon” effect. It is important that when ribboning, one takes in consideration the packaging color. As exampled to the right, there are three Doritos flavors. Two of the flavors have similar color. To easily discern the difference, the blue bag was placed in between.



SHIPS STORE STANDARDS & DISCIPLINES



2. **Horizontal.** This technique is usually used in the Health & Beauty, Household, and Underwear commodities. This is where one displays the same ‘hierarchy’ in a horizontal matter. One of the main reasons to perform this technique is due to items not being the same size in that commodity, yet relatively close in size in the “hierarchy”. The example to the left illustrates this technique. All the deodorant is on the same horizontal plan, as is the lotion, miscellaneous items (powder/suntan), body wash, and bar soap/soap boxes. As reason dictates, follow the above noted technique: deodorant and soap are not the same size as body wash and powders, thus if on attempted a vertical / ribbon it would create air space (air space is the wasted space that cannot be filled between shelves).

3. **Block.** This technique is usually used in Candy, Health & Beauty (on larger sets), Small Bag Chips, etc. This where the “hierarchy” is merchandised in a block by taking a part of the total linear and vertical space inside of the commodity and display them as squares or rectangles. This allows for more flexibility to provide more space for a better selling product within that commodity. As with the horizontal technique, the block also takes in consideration different size items within the commodity and minimizes the wasted space between shelves.



SHIPS STORE STANDARDS & DISCIPLINES

Merchandising Tips

Merchandising techniques are driven by the merchandise assortments within a commodity. After determining the merchandising technique a “shelving profile” or Plan-o-Gram can be developed. This is the positioning of shelves to support the commodity assortment utilizing the determined merchandise technique mentioned on pages 17 and 18. Typically, each commodity will have its own shelving profile. This will differ from the commodity next to it due to product heights or way shelves are positioned (like slanting). Shelving profiles also contributes in organizing the commodity because it creates a border or boundary. The following is a review as well as additional merchandising to create a shelving profile:



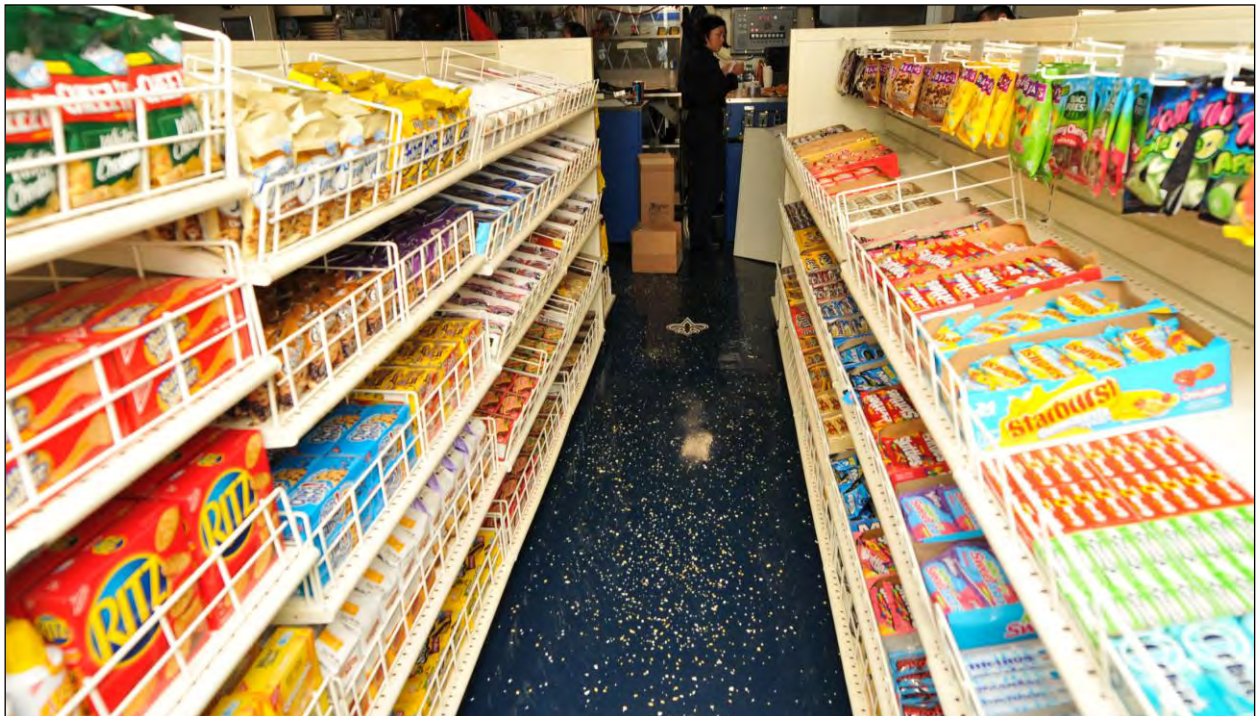
Tip 1: Display of Merchandise

- An important factor contributing to the promotion of sales is the orderly and neat presentation of merchandise. For example, merchandise in disarray lacks sales appeal since the acceptance of a product must first meet approval of the eye before any other factors such as price, quality, and brand are considered. A neatly painted store is essential. The lighting must be adequate and aimed at making merchandise stand out. Fixtures and shelves should be clean of dirt and debris.
- Larger items should be placed on the lower shelves graduating size upwards. This draws the eye across the whole section, giving the customer the best opportunity to see everything that is in the store.
- Merchandise should be well organized vertically, not spread out horizontally across the shelf. This allows customers to view all available items within a particular category without having to walk up and down the aisle.

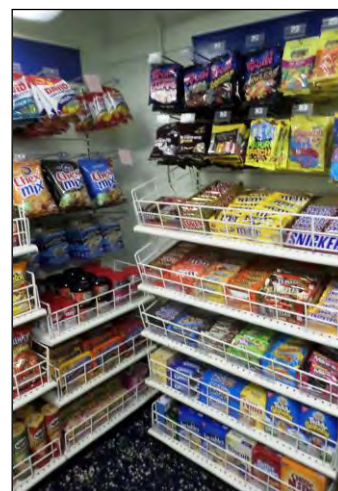
SHIPS STORE STANDARDS & DISCIPLINES

Tip 2: Management of Stock

- Inventories should be watched constantly to determine if sales for a particular item are poor. Upon determining that any item is slow moving or is dead, every effort should be made to get rid of it, either by returning the product to the vendor (if possible) reduction in price, or by transfer to Other Supply Officers.
- Markdowns should be prominently displayed for customer's view so that reduced prices can be readily seen. In modern retail merchandising, it has been solidly established that markdowns are an inherent necessity to assist in disposition of dead stock. A good place for mark down items is in a dedicated spot in the rear of the store or on a back endcap. This will train the customer to move throughout the store to see what is offered.



SHIPS STORE STANDARDS & DISCIPLINES



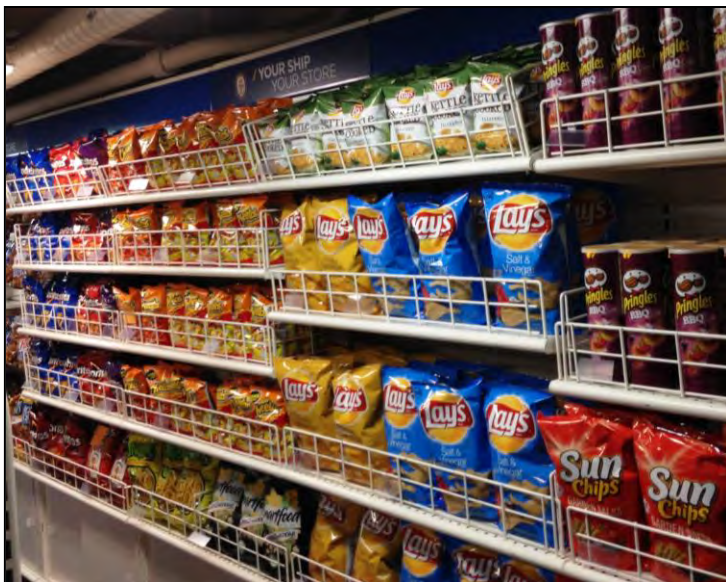
Tip 3: Appearance of Fullness with Minimal Inventory

- Merchandise will not sell if it is not on the shelf. **You should never have an item in your bulk room that is not represented in the store.**
- At minimum, the entire store should be front faced (items brought to the front of the shelf/peg and turned so the label faces out) daily, if not multiple times a day. No one wants to feel as if they are shopping the leftovers. Front facing can prevent that unconscious observation.
- Within a commodity, merchandise like sized items together to allow different shelving profiles. For example, big bags of chips on the bottom three shelves and small bags on the top two.
- Shelves should be set with approximately 1 ½" of air space between the top of the product and the lower edge of the next shelf. This way a shelf does not have to be filled all the way to appear full. Be cognizant that the merchandise can be removed without the customer scraping their hand. Properly spacing the shelves will "hide" the emptiness behind the front faced merchandise and provide the appearance of being full while controlling inventory in the store at slow periods. In other words **fit the shelf to the product, not the product to the shelves.**
- Keep the following in mind when displaying merchandise on shelves where there is a lack of variety to fill the area; instead of displaying 6 or more facings on one shelf or horizontally, break the facings between another shelf or more, vertically. Example: Instead of running shave cream horizontally with 12 facings, place 4 facings on the bottom shelf, then 4 facings on the next shelf up, and the 4 facings on the next shelf up from that. This, however, will require more dividers.

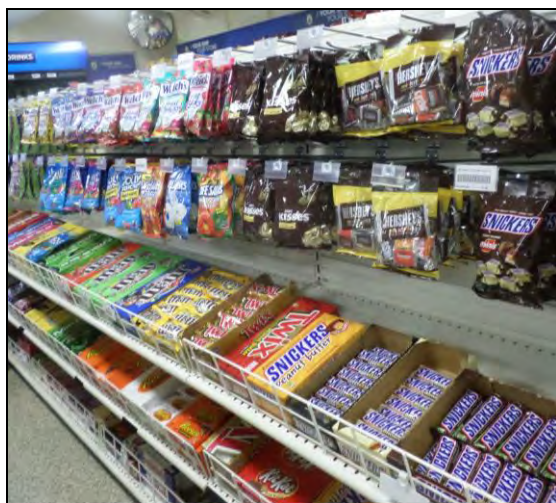
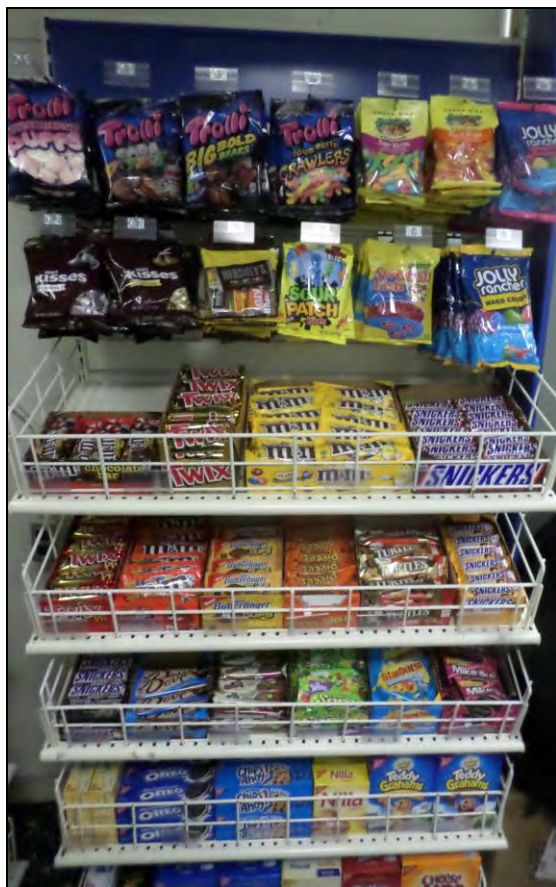
SHIPS STORE STANDARDS & DISCIPLINES

Operational Standards per Commodity

This section is a review of how to merchandise each commodity, individually. Once you have established your stock assortment, a merchandising layout and adjacencies, utilize the following pages to set your store.



SHIPS STORE STANDARDS & DISCIPLINES



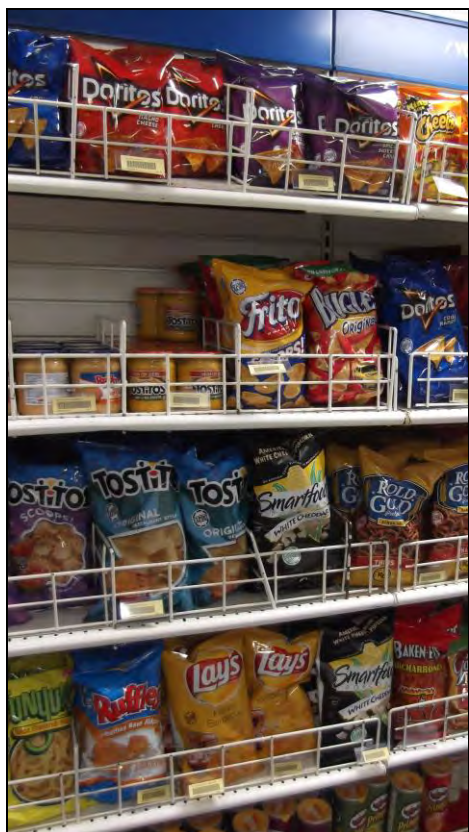
Candy – Single Bar and Bag Merchandise and Operational Standards

- Hierarchy (Class, Sub Class, Other)
 - Bars verses bags
 - Chocolate or Non Chocolate
 - By Manufacturer
- If setting a combination of pegs and shelves, always peg above shelves
- Bar candy items should remain in manufacture display sleeve (box).
- When merchandising in multiple sections, start (closest to register) with chocolate items then into non chocolates.
- If merchandising all candy in one section, peg items at the top, then sleeved chocolate, followed by non-chocolate at the bottom
- Shelved gum, mints, and Halls should be merchandised on top shelf start position.
- Rotate product by checking expiration date First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product and each peg has a label attached.
- Tilt shelves for better visibility and access. Use properly spaced shelves to house items. Leave just enough room to pull out and place in sleeves. Some items like boxed goods can be neatly double stacked when needed and can be safely maintained
- Use wire fronts and dividers gates to hold product in place as needed. No need to place dividers between sleeves.
- Bagged goods should be pegged on 11 inch peg hooks with label holder

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Chips and Dip

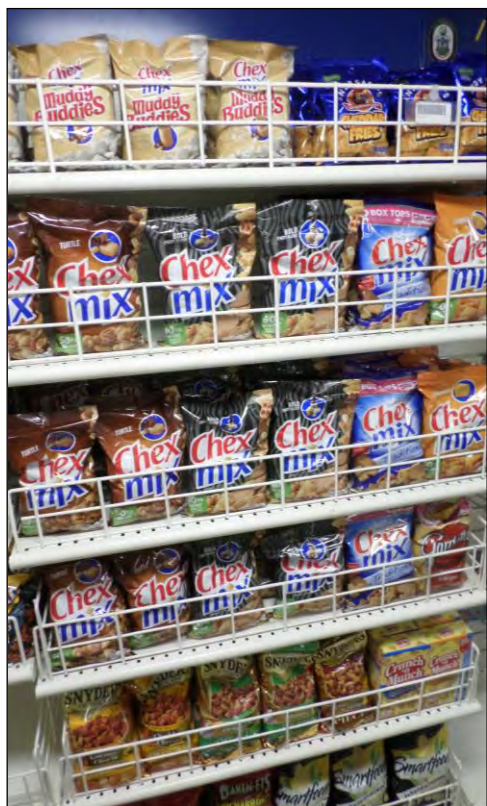
Merchandise and Operational Standards

- Hierarchy
 - Large vs Small bags vs Canister (Class)
 - By Manufacturer (Sub Class)
- When possible have a section for large bags, then section for small bags over canisters.
- Ribbon merchandising technique to be used when possible
- Ribbon within the block for small bags over canisters.
- Canisters should either be in their own section or toward the bottom with bags to the top.
- Stores should merchandise like goods together vertically from the main traffic aisle.
- Merchandise like flavors and bag sizes to create an appealing flow to the eye.
- When merchandising like item with different bag sizes, merchandise smaller bag sizes top to bottom with largest size on the lower shelves
- Do not over fill or force goods onto the shelves. This will cause items to be crushed.
- Do not double stack bags, use appropriate shelf spacing
- Rotate product by checking expiration date: First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Merchandise dips within the chip bag set, usually with Tostitos or Frito Scoops at eye level
- Use properly spaced shelves to house dips in bag set. Dips can be neatly double stacked when needed and can be safely maintained
- Use 5" wire front face gates and wire dividers
- Place dividers between products (like canisters and dip) to prevent movement when ship rolls

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Salty Snacks – Non Chip Merchandise and Operational Standards

- Hierarchy
 - By Manufacturer
 - Packaging
- Salty Snacks is its own category
- In larger stores, it should be grouped together aside from the bag chip program.
- In smaller stores, Salty Snacks can be merchandised in a combo set with chips. See page 33.
- Stores should merchandise like goods together vertically. Use the block technique, ribboning inside of the blocks.
- Merchandise like flavors and bag sizes to create an appealing flow to the eye.
- Do not over fill or force goods onto the shelves. This will cause items to be crushed as well as an unattractive appearance.
- Do not double stack bags and set the shelf to the merchandise, not the merchandise to the shelf
- Rotate product by checking expiration date (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Use 5" wire face gate to hold product in place
- Salty Snacks (non chip) can also be pegged on 11 inch peg hooks when needed.

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Grocery Nuts

Merchandising and Operational Standards

- Hierarchy (Class, Sub Class, Other)
 - Nuts vs Trail Mix vs Seeds
 - Can vs Bag
 - By Manufacturer
- Determine merchandise technique and sectioning after segregating hierarchy
- Block pegged items by brand
- Pegged items should fit neatly on the hook, do not over fill peg.
- Each peg hook should have a barcode label holder and label with price
- Rotate product by checking expiration date First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Use properly spaced shelves to house items. Some items like canned and boxed goods can be neatly double stacked when needed and can be safely maintained
- Primary adjacency would be next to snacks and jerky.

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Meat Snacks

Merchandising and Operational Standards

- Hierarchy (Class, Sub- Class, Other)
 - Pegged items vs shelved items
 - Manufacturer / Brand
 - Pegged Item Sizes
- Pegged items should be blocked by brand/manufacturer.
- Peg items above shelved items
- Merchandise like flavors and bag sizes to create an appealing flow to the eye.
- When merchandising like item with different bag sizes, merchandise smaller bag sizes top to bottom with largest size on the lower peg hooks
- Pegged items should fit neatly on the hook, do not over fill peg.
- Each Peg Hook should have a barcode label holder and label with price
- Rotate product by checking expiration date First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Use 5" wire face gate to hold product in place as needed
- Place dividers between products to prevent movement when ship rolls

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Cookies and Crackers

Merchandise and Operational Standards

- Hierarchy
 - Cookies vs crackers
 - Size of containers
 - By Manufacturer
- Crackers/ cheese spread should be merchandised together
- Depending on stock assortment and/or size of product will determine if merchandising over/under or side by side.
- Merchandise similar flavors and product sizes to create an appealing flow to the eye.
- When merchandising like items with different sizes, merchandise smaller sizes top to bottom with largest size on the lower shelves
- Do not over fill or force goods onto the shelves. This will cause items to be crushed.
- Rotate product by checking expiration date First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product
- Place dividers between products to prevent movement when ship rolls

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Convenience Food

Merchandise and Operational Standards

- Hierarchy (Classes)
 - Microwavable incl soups.
 - Lunch Kits
 - Packages Meats
 - Noodles/Ramen
 - By Manufacturer (Sub)
- Merchandise food in blocks. Smaller ships will merchandise horizontally.
- Place Ramen/Noodles across on lower shelves
- Merchandise like flavors and container sizes to create an appealing flow to the eye.
- When merchandising like items with sizes, merchandise smaller sizes top to bottom with largest size on the lower Shelves
- Rotate product by checking expiration date First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Use properly spaced shelves to house items. Some items like canned and boxed goods can be neatly double stacked when needed and can be safely maintained
- Place dividers between products to prevent movement when ship rolls
 - Meal replacement bars are to be merchandised in sport nutrition section.

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Sweet Goods

Merchandise and Operational Standards

- Hierarchy
 - Brand
- Block merchandise vertically by brand
- Merchandise like flavors and bag sizes to create an appealing flow to the eye.
- When merchandising like item with different sizes, merchandise smaller sizes top to bottom with largest size on the lower Shelves
- Tilt shelves for better visibility and access. Use properly spaced shelves to house items. Leave just enough room to pull out and place in sleeves. Some items like boxed goods can be neatly double stacked when needed and can be safely maintained
- Use wire fronts and dividers gates to hold product in place as needed. No need to place dividers between sleeves.
- Do not over fill or force goods onto the shelves. This will cause items to be crushed.
- Rotate product by checking expiration date: First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Use properly spaced shelves to house items. Some items like boxed goods can be neatly double stacked when needed and can be safely maintained

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Beverages

Merchandising and Operational Standards

- Stores should merchandise like goods together
 - Water
 - Soda
 - Energy
 - Juice
 - Sport Drinks
- Merchandise like flavors and product sizes to create an appealing flow to the eye
- Rotate product by checking expiration date First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Use properly spaced shelves to house items.
- Ensure compliance of sanitation and housekeeping as directed in the NAVMED 5010 series.

Equipment Requirements

- Quantity determined by size of section.
- Ships should contact Pepsi or Coke to request Coolers for their ships store.

SHIPS STORE STANDARDS & DISCIPLINES



Sports Nutrition Merchandise and Operational Standards

- Merchandise like flavors and product sizes to create an appealing flow to the eye.
- When merchandising like items with different sizes, merchandise smaller sizes top to bottom with largest size on the lower shelves.
- Single items should remain in manufacture display sleeve.
- Bars and single serve items should be merchandised on upper shelves, with larger bottles and tubs on lower shelves
- When merchandising nutrition bars, slant shelves to allow for ease of shopping and gravity feed if space allows
- Group nutritional items together by performance category. (i.e. proteins, amino acids, thermogenics)
- Do not over fill or force goods onto the shelves. This will cause items to be crushed.
- Rotate product by checking expiration date First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Use properly spaced shelves to house items. Some items like boxed goods can be neatly double stacked when needed and can be safely maintained
- Place dividers between products to prevent movement when ship rolls

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Ice Cream

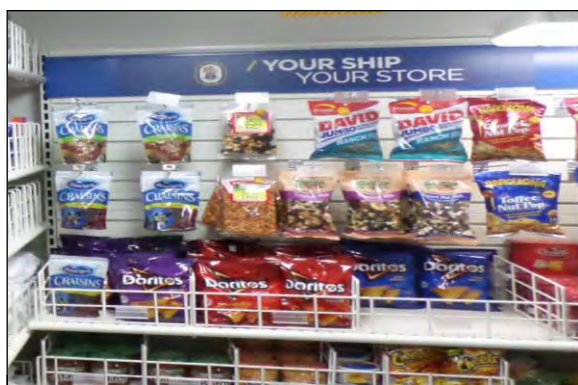
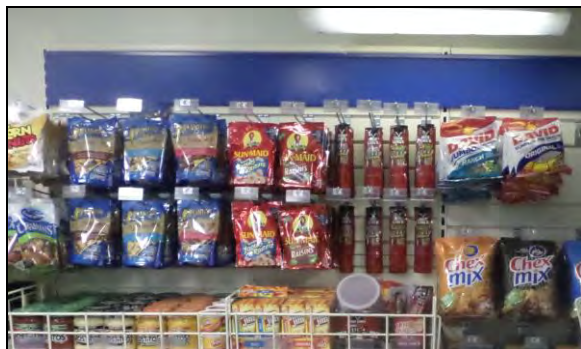
Merchandise and Operational Standards

- Rotate product by checking expiration date (FIFO).
- Ensure compliance of sanitation and housekeeping as directed in the NAVMED 5010 series.
- Periodically scrape the interior sides, top and bottom for accumulated frost build up using an ice scrapper (never use a sharp or pointed item).
- Ensure freezer unit is maintaining the required temperature for all the items. Contact the vendor immediately and report any major temperature variation or if the unit that does not maintain the appropriate temperature to keep the items frozen.
- **Never refreeze thawed merchandise.**

Fixture / Equipment Requirements

- Freezer Unit. (Provided by the Vendor)

SHIPS STORE STANDARDS & DISCIPLINES



Small Store Snack Combo Set - In smaller sets, Snacks may be merchandised together in this section.

- Merchandise like flavors and bag sizes to create an appealing flow to the eye.
 - Jerky
 - Nuts and Trail Mix
 - Salty Snacks
- Snack is its own category and should be grouped together aside from the bag chip program. If unable to do so, make sure to merchandise all snacks together and all chips together within the set
- Merchandise like flavors and bag sizes to create an appealing flow to the eye.
- Flow adjacency should be directly following bag chip and dip set.
- When merchandising like items with different bag sizes, merchandise smaller bag sizes top to bottom with largest size on the lower shelves.
- Do not over fill or force goods onto the shelves. This will cause items to be crushed.
- Do not double stack bags, use appropriate shelf spacing to keep an even shelf line.
- Rotate product by checking expiration date First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Snacks (non chip) can also be pegged when needed. Always peg above shelves

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Oral Care

Merchandise and Operational Standards

- Hierarchy
 - Type
 - Brand.
- When merchandising like items with different sizes, merchandise smaller sizes top to bottom with largest size on the lower shelves
- Single items should remain in manufacture display sleeve.
- Group oral care items together by category. (i.e. tooth paste, mouth wash, lip care)
- Rotate product by checking expiration date First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Hanging goods should be merchandised using 11" heavy duty peg hooks above shelves
- Pegged items should fit neatly on the hook, do not over fill peg.
- Each peg hook should have a UPC label holder and label with price
- Use properly spaced shelves to house items. Some items like boxed goods can be neatly double stacked when needed and can be safely maintained
- Place dividers between products to prevent movement when ship rolls

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Shave and Feminine Hygiene Merchandise and Operational Standards

- Hierarchy (Class, Sub Class)
 - Shave and Feminine
 - Types
- Utilize the block technique when merchandising high velocity items such as razors
- When merchandising like items with different sizes, merchandise smaller sizes top to bottom with largest size on the lower shelves
- Do not over fill or force goods onto peg hooks. Product should lay flat and even
- Rotate product by checking expiration date First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Use properly spaced shelves to house items. Some items like boxed goods can be neatly double stacked when needed and can be safely maintained
- Place dividers between products to prevent movement when ship rolls
- If space permits, create a basket using fronts and dividers to lay in bagged items as demonstrated in the picture

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Personal Care

Merchandise and Operational Standards

- Hierarchy
 - Type of Items
 - Female/ Males
 - Brands
- Group Personal Care items together by types. (i.e. soap, body wash, lotion, powder, deodorant, etc)
- Merchandise item types horizontally types.
- Integrate soap boxes with soap and sponges with body wash.
- When merchandising like items with different sizes, merchandise smaller sizes top to bottom with largest size on the lower shelves.
- Rotate product by checking expiration date First in First Out (FIFO).
- Shelf label is positioned to bottom left edge of product.
- Use properly spaced shelves to house items. Some items like boxed goods can be neatly double stacked when needed and can be safely maintained.
- Place dividers between products to prevent movement when ship rolls.

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Hair Care

Merchandise and Operational Standards

- Hierarchy
 - Type (Hair Accessories, Shampoo/Conditioner, Ethnic)
 - Brand
- Group Hair Care items together by category. (i.e. shampoo, conditioner, hair accessories, hair tools, chemical treatments)
- Merchandise conditioner next to or directly under the complimentary shampoo.
- Merchandise like items and product sizes to create an appealing flow to the eye.
- Pegged items should fit neatly on the hook, do not over fill peg.
- Rotate product by checking expiration date First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Use properly spaced shelves to house items. Some items like boxed goods can be neatly double stacked when needed and can be safely maintained
- Place dividers between products to prevent movement when ship rolls

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Foot and Shoe

Merchandise and Operational Standards

- Hierarchy
 - Shoe, Foot, Shower Shoes, Implements
- Merchandise shower shoes on the bottom shelves
- Peg items above correlating merchandise i.e. shoe brushes over shoe polish, implements and insoles over foot powder, sprays, and cream.
- Smaller ships may need to shelf peggable items.
- Merchandise like products and sizes to create an appealing flow to the eye.
- Do not over fill or force goods onto peg hooks. Product should lay flat and even
- Rotate product by checking expiration date First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Use properly spaced shelves to house items.
- Place dividers between products to prevent movement when ship rolls

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Household Supplies

Merchandising and Operational Standards

- Hierarchy
 - Type
- Merchandise horizontally. May have to combine types on same shelf i.e., detergent, fabric softener, and air freshener.
- Horizontal flow should be bottom shelf - liquid/chemical, next up laundry bags, top face clothes and towels.
- Merchandise liquids to the bottom to protect fabrics from spills.
- Stores should merchandise like goods together vertically from the main traffic aisle.
- Shelf label is positioned to bottom left edge of product.
- Rotate product by checking expiration date First in First Out (FIFO)
- Utilize tray pack(s) that come with product.
- Use properly spaced shelves to house items. Some items like boxed goods can be neatly double stacked when needed and can be safely maintained
- Fold down soft goods to best maximize the space available. Ensure that folds are consistent throughout the product set
- Place dividers between products to prevent movement when ship rolls. No need to place dividers between soft goods

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



Small Store HBA Combo Set Merchandise and Operational Standards

- In smaller store sets, combined HBA products may be merchandised in a section together. In this case, merchandise in the following flow
 - Oral Care
 - Shave
 - Hair Care
 - Soap and Body Wash
 - Foot and Nail Care
- Merchandise like products and sizes to create an appealing flow to the eye.
- When merchandising like items with different sizes, merchandise smaller sizes top to bottom with largest size on the lower shelves
- Do not over fill or force goods onto peg hooks. Product should lay flat and even
- Rotate product by checking expiration date First in First Out (FIFO)
- Shelf label is positioned to bottom left edge of product.
- Use properly spaced shelves to house items. Some items like boxed goods can be neatly double stacked when needed and can be safely maintained
- Place dividers between products to prevent movement when ship rolls
- Never peg an item below a shelf

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder



SHIPS STORE STANDARDS & DISCIPLINES



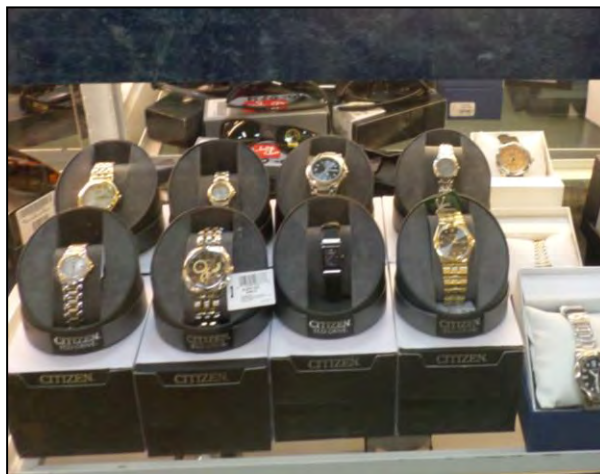
Audio and Video Electronics Merchandise and Operational Standards

- These goods should be pulled together and presented in a logical and shopper friendly manner. Stores should merchandise like goods together vertically to create a common theme or flow.
- Merchandise like items and product sizes to create an appealing flow to the eye.
- When merchandising like items with different sizes, merchandise smaller sizes top to bottom with largest size on the lower shelves or peg hooks.
- Single items should remain in manufacture display sleeve.
- Group Electronic items together by category. (i.e. Audio, Video, Computer)
- Shelf label is positioned to bottom left edge of product.
- Place dividers between products to prevent movement when ship rolls
- In smaller stores, items may be merchandised with hardware items

Fixture / Equipment Requirements

- Base deck and shelves
- Wire fencing and dividers/binning
- 11" heavy duty peg hook with label holder

SHIPS STORE STANDARDS & DISCIPLINES



High Dollar Lock-Up

Merchandise and Operational Standards

- These goods should be pulled together and presented in a logical and shopper friendly manner.
- Merchandise like items and product sizes to create an appealing flow to the eye. Use different shelf heights or plexi risers to create dimension.
- When merchandising like items with different sizes, merchandise smaller sizes top to bottom with largest size below. If merchandising on one shelf, larger sizes should be in the back with smaller sizes in the front.
- Group items together by category.
- Shelf label is positioned to bottom left edge of product.

Fixture / Equipment Requirements

- Case line showcase or lock up display case

SHIPS STORE STANDARDS & DISCIPLINES



Softlines

Merchandise and Operational Standards

- Depending on store size and layout, a small but varied assortment of Softlines goods will be available for purchase. These goods should be pulled together and presented in a logical and shopper friendly manner.
- Stores should merchandise like goods together vertically to create a common theme or flow. Basic goods together and emblematic goods together.
- When possible, create a male and female area.
- Merchandise like items and product sizes to create an appealing flow to the eye. Create a color story or theme in most cases, color flow will be light to dark within grouping. Size within each grouping.
- Merchandise the newest groups toward the front of the department, rotating the merchandise often to keep a new fresh look.
- When groups become broken in sizes or shop worn, consider taking markdowns on these goods to free up space and exit the old category.
- Soft goods can be either hung or folded depending on space and presentation needs
- Use faceouts and U-bars to create depth and excitement to the wall.
- When possible, alternate Face-outs and U-bars, do not run like fixturing in continuous lines across the wall.
- Place dividers between products to prevent movement when ship rolls
- Packaged goods such as T-shirts and underwear should be merchandise together by group and ran in descending size order.
- Packaged good can be shelved to increase pack out while underway and hung (when packaging allows) to spread and fill space during in port periods.

SHIPS STORE STANDARDS & DISCIPLINES



Uniform Insignia & Command Caps

- Uniform insignia & command caps should be grouped adjacent to the Softlines area & merchandise in accordance to rank, rate, uniform type. Merchandise uniform items within set by item type, all NWU, all metal insignia together, all dress insignia together sorted by rank and type.
- Peg items should be merchandised using 12" heavy duty peg hooks.
- Shelf label is positioned to bottom left edge of product.

Displays

- Use forms to create a visual display area for impact. Place forms on visual focal point on a wall or in a display window.
- When possible, steam or press the merchandise before dressing mannequin.
- Pick an item to feature on the display that you have ample quantity and full size runs
- Hide or tuck tags
- Add life to collars and sleeves by stuffing sleeves and posing in life style poses.
- Layer all forms with coordinating and complimenting items to give good eye appeal

Fixture / Equipment Requirements

- Base deck and shelves should be even or graduate up.
- 11" heavy duty peg hook with label holder and label with price for peggable items only.
- Chrome Face outs and U-bars for clothing. (tops and bottoms)
- Male or Female headless mannequins.

SHIPS STORE STANDARDS & DISCIPLINES

Visual Merchandising



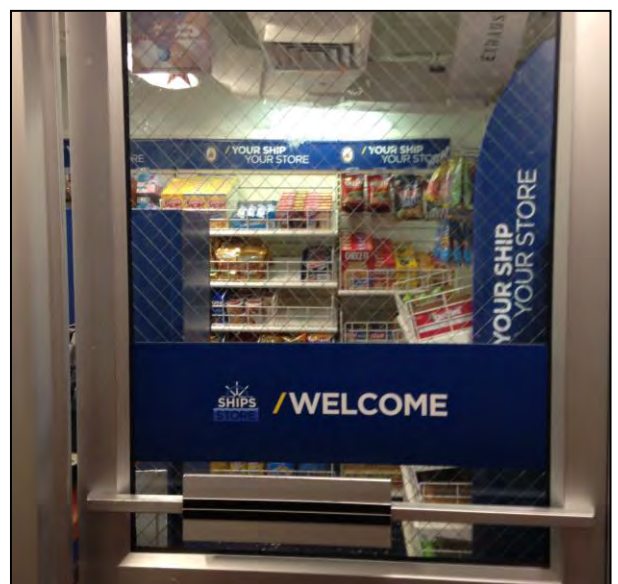
Visual Merchandising is the art of enhancing the merchandising function by:

- Signing.
- Catch customer's attention to draw them into the store
- Bringing attention certain merchandise.
- Tells a story.

SHIPS STORE STANDARDS & DISCIPLINES

Visual Merchandising is a silent selling technique that helps maximize sales through display, presentation, and labeling by engaging customers.

Many stories are told by Visual Merchandising. It conveys the price of an item and where it's located. It tells the story of the mission and sometimes historical events that have been overcome to inspire the customer's loyalty. It can simply communicate what is new in the stock assortment and what is new in the store. Visual Merchandising is ever changing because it deals with the emotions and passions of your customer.





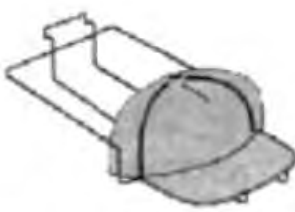


SHIPS STORE STANDARDS & DISCIPLINES

Display Accessories

This section is intended to simplify the selection of display materials required for accomplishing effective display and visual merchandising presentations in your ships store. Requests for display accessories will be sent to NEXCOM Ships Store Program for processing. Ships profits will be charged.

Utilized in displaying emblematic clothing.



| Description | Item | CS/Unit |
|---|--|--------------|
| Clothes Hanger 17" |  Clothing Hanger | 100 per case |
| Pants/skirt hangar 10" for Sm/Med pants/ shorts |  | 100 per case |
| Pants/skirt hangar 12" for Lrg and higher pants/ shorts |  | 100 per case |
| Size Ring -Used to display size of garment on hangar |  Size Rings | 50 per bag |
| Wire Sport Cap Displayer -9 to 12 Cap Capacity -8 1/2"W x 3"H x 12"D |  Wire Sports Cap Displayer | each |

SHIPS STORE STANDARDS & DISCIPLINES

Used to assist in folding shirts and blouses for fold down display.



| Description | Item | Cs/ Unit |
|--|---|----------|
| Folding Board -9.5" X 14" Clear Acrylic -Fold shirts around board and remove |  <p style="text-align: center;">Shirt Folding Board</p> | each |
| | | |

Used to display hanging clothes. *Never use peg hooks to hang clothes

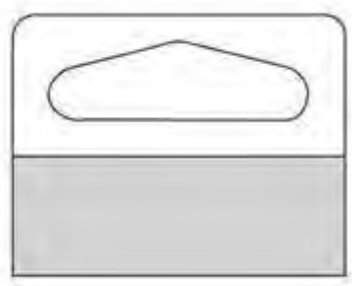
| Description | Item | Cs/ Unit |
|--|--|----------|
| C-Rail (U-Bar) -Chrome -Slatwall Hangbar -24" X 12" x 1 ½" |  <p style="text-align: center;">U-Bar</p> | each |
| 12" Face Out -Chrome Finish -Rectangular -Welded End Stop -12" Length |  <p style="text-align: center;">Straight Faceout</p> | each |

SHIPS STORE STANDARDS & DISCIPLINES

Used to display emblematic merchandise on shelving units. *Using one is great way to take up slatwall space in making the store look full. Used on larger ships stores only.


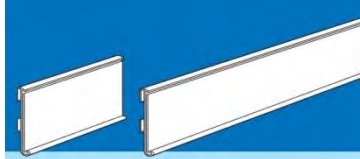

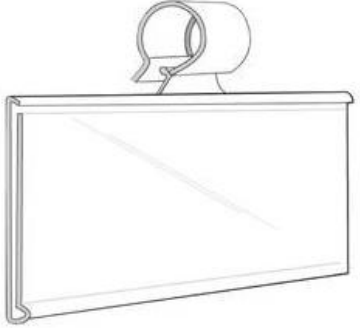
| Description | Item | Cs/ Unit |
|---------------------------|--|----------|
| Men Form |  | each |
| Female Form |  | each |
| Base for Men/Female Forms | As shown above | each |

Used to repair merchandise packaging that is to be hung on a peg hook. In addition, this item can be used to attach to product to be hung.

| Description | Item | Cs/ Unit |
|----------------------------------|---|--------------------|
| Hang Tab, Triangle, 1-58 x 1-1/4 |  | 100 units per pack |

SHIPS STORE STANDARDS & DISCIPLINES

Used to hang merchandise, i.e., candy, meat snacks, nuts, toothbrushes, and insignias.

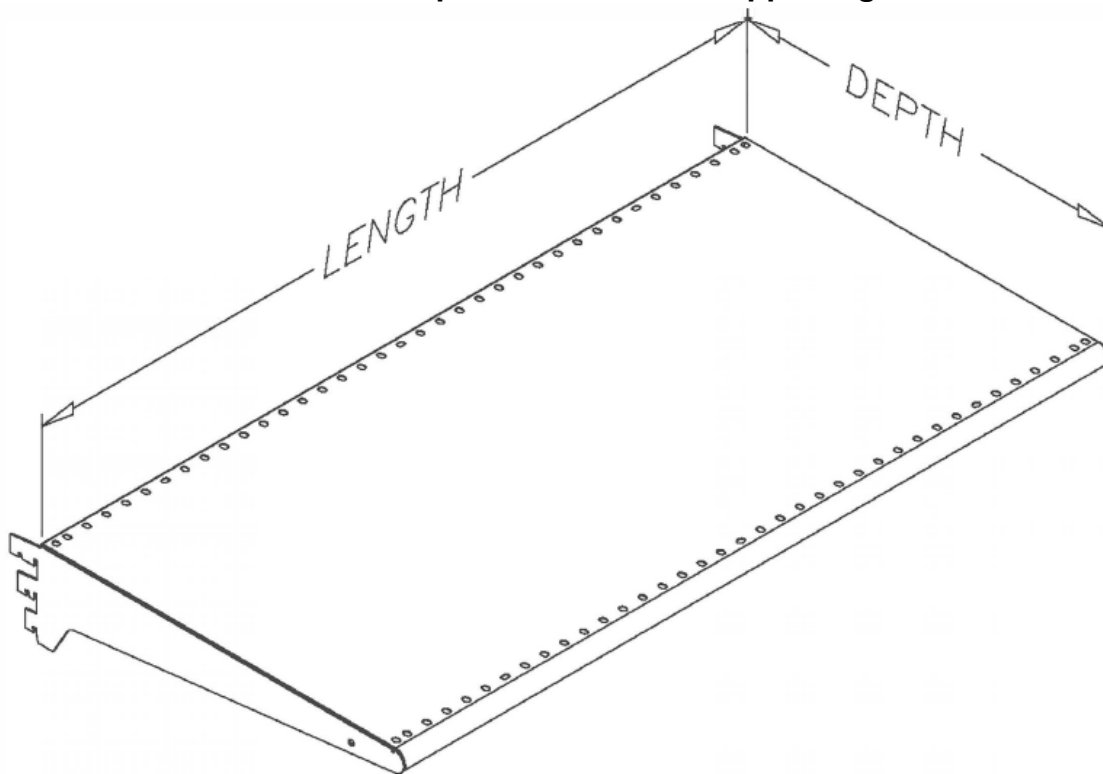
| Description | Item | Cs/ Unit |
|--|---|-------------------|
| 11" MDSE ARM X.225 SCH HK- SLTWL |  | 100 hooks per ctn |
| CLEARSCAN COV LABEL HOLDER #1.25 X 2 1/2 |  | 500/CTN – 100/BAG |
| Inventory Control Clips -3/4" Diameter -Used to control inventory on pegs and keep from sliding to the back of the peg |  Peghook Inventory Control Clips | 1,000 per ctn |
| Holder, Label, Loop Over Wire, 3" |  | 100 units per bag |

SHIPS STORE STANDARDS & DISCIPLINES

Wall Unit Shelves

Effective merchandise presentations begin with the proper use of available fixturing, space, and shelving. Gondola's, End Caps, and Wall Units provide the ships store with a practical presentation area.

Shelves should not be deeper than the base supporting the section.

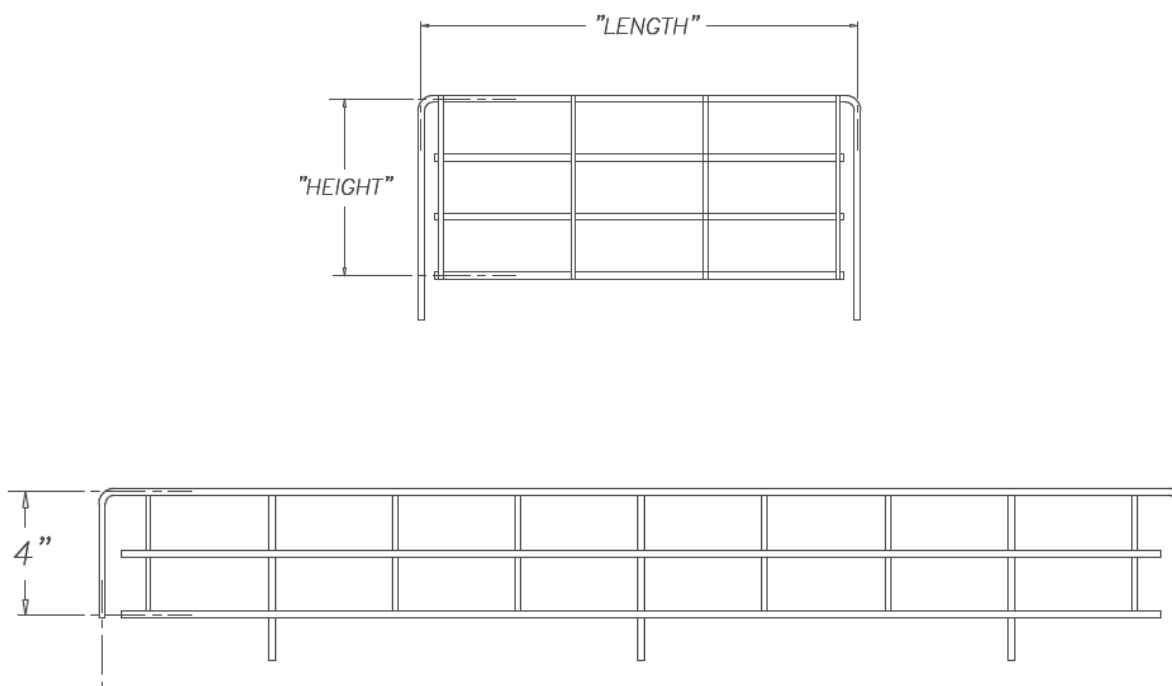


| Description | Part Number | NSN | Cs/ Unit |
|----------------|-------------|-----|----------|
| 36" X14" Shelf | NS4678-34 | TBA | each |
| 36" X17" Shelf | NS4678-37 | TBA | each |
| 48" X14" Shelf | NS4678-09 | TBA | each |
| 48" X17" Shelf | NS4678-12 | TBA | each |
| 24" X17" Shelf | NS4678-62 | TBA | each |

Available from: Metal Dynamics, 30 East 10th Street, New Albany, Indiana
Phone: (812) 949-7998

SHIPS STORE STANDARDS & DISCIPLINES

Fencing and Dividers for Wall Unit Shelving

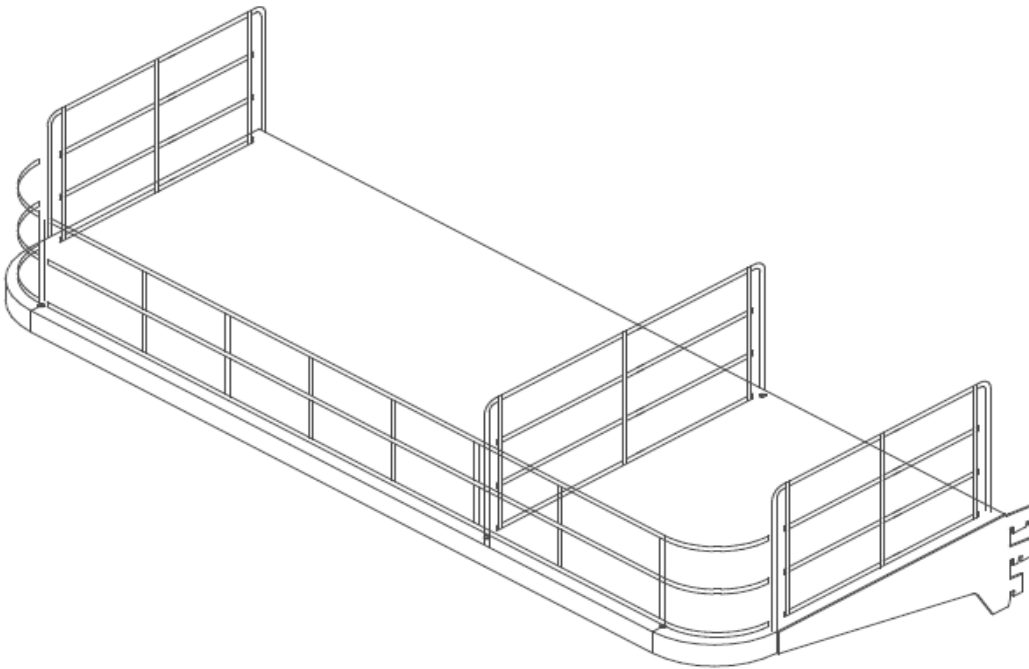


| Description | Part Number | NSN | Cs/ Unit |
|--------------------------|-------------|-----|----------|
| Front Fence for 48"shelf | NB4686-01 | TBA | each |
| Front Fence for 36"shelf | NB4686-02 | TBA | each |
| Front Fence for 24"shelf | NB4686-03 | TBA | each |
| Divider for 17"D shelf | NB4685-37 | TBA | each |
| Divider for 14"D shelf | NB4685-34 | TBA | each |

Available from: Metal Dynamics, 30 East 10th Street, New Albany, Indiana
Phone: (812) 949-7998

SHIPS STORE STANDARDS & DISCIPLINES

Gondola End Cap Shelving

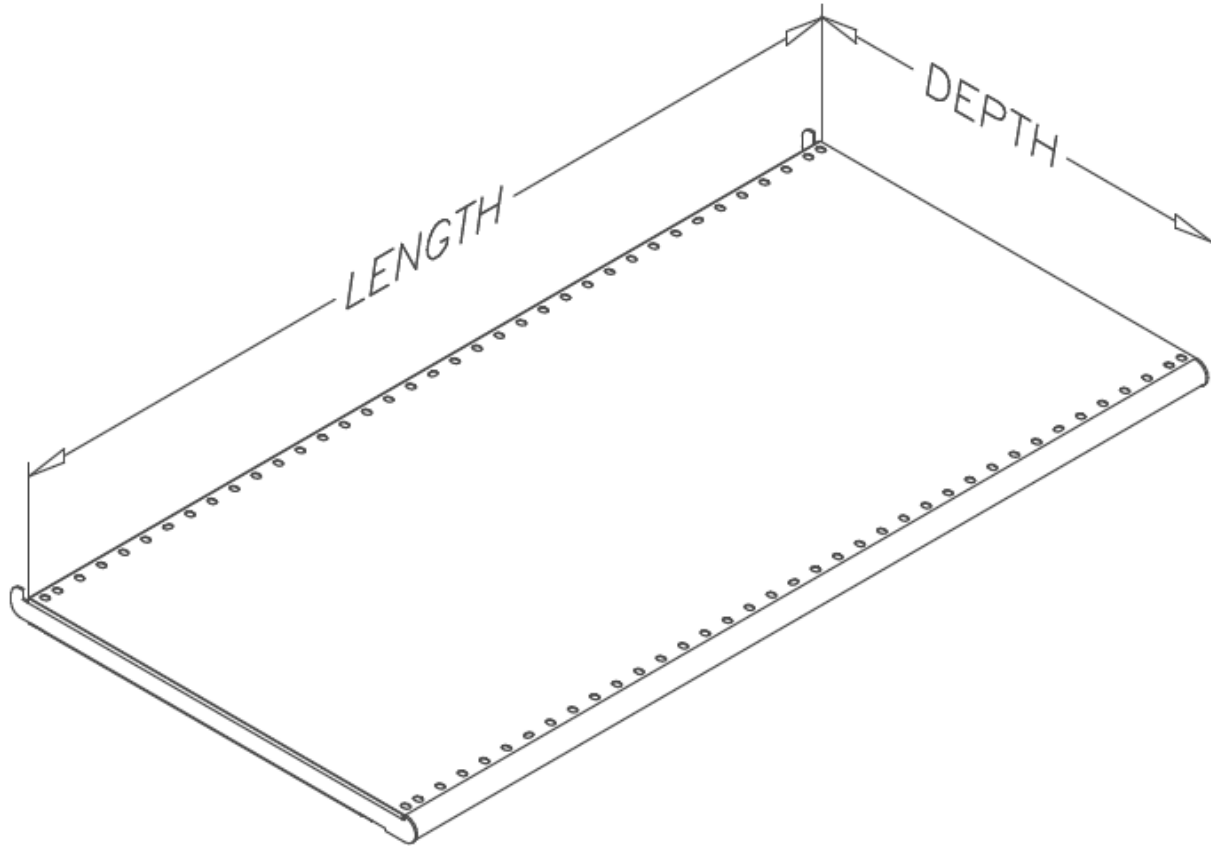


| Description | Part Number | NSN | Cs/ Unit |
|-----------------------------------|-------------|-----|----------|
| 36" X14" Feature End Shelf | NS4689-01 | TBA | each |
| Front Fence for Feature End Shelf | | TBA | each |
| End Fence for Feature End Shelf | NB4685-31 | TBA | each |

Available from: Metal Dynamics, 30 East 10th Street, New Albany, Indiana
Phone: (812) 949-7998

SHIPS STORE STANDARDS & DISCIPLINES

Base Deck Shelving

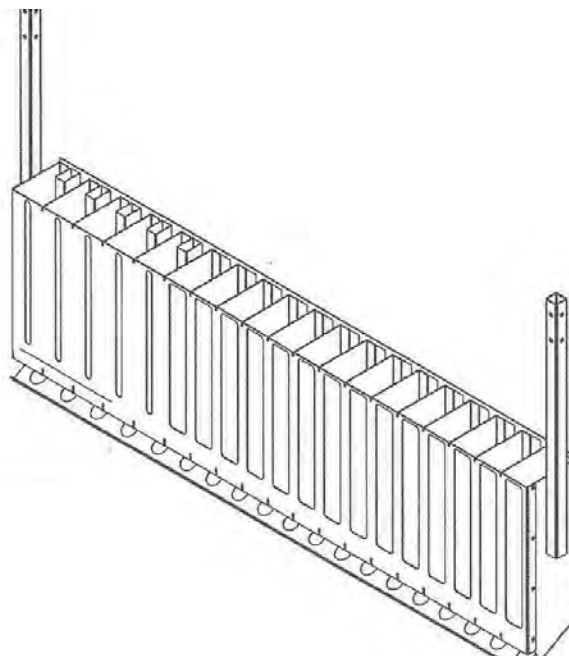


| Description | Part Number | NSN | Cs/ Unit |
|--------------------------|-------------|-----|----------|
| 36" X17" Round Nose Deck | 5509-04 | TBA | each |
| 48" X17" Round Nose Deck | 5509-03 | TBA | each |
| 24" X17" Round Nose Deck | NS4678-62 | TBA | each |

Available from: Metal Dynamics, 30 East 10th Street, New Albany, Indiana
Phone: (812) 949-7998

SHIPS STORE STANDARDS & DISCIPLINES

Cigarette Dispenser



| Description | Part Number | NSN | Cs/ Unit |
|---|-----------------|-----|----------|
| Cigarette Rack, 16H x 4-1/2D x 30W | NCR01 | TBA | each |
| Cigarette Rack, Trakwall Mount; 16H x 4-1/2D x 24W | NCR01-24CIGCHEW | TBA | each |

Available from: Metal Dynamics, 30 East 10th Street, New Albany, Indiana
Phone: (812) 949-7998

SHIPS STORE STANDARDS & DISCIPLINES

Ships Stores Afloat Shopping Guide

The Navy is adopting the commercial practice of having a more focused inventory of top selling merchandise and standardizing its basic merchandise among the fleet stores. This section provides ships a stocking guide in an easy to read format that will allow the Fleet user to:

1. Determine what the maximum numbers of line items are allowed in total and in each department.
2. Determine what will be stocked, staying within the limits for an authorized stock count.
3. Determine if there are any “local choice” items for each department, being careful to not exceed the authorized maximum number as well as allow for “slots” for new items to be introduced and old items to be sold out.
4. Select items which gives the crew a good cross section of merchandise and that meets customer desires.

Procurement

Remember, the basis of procurement is the proper balance between what is carried in stock and what is actually sold. The basic guidelines to be followed are:

1. Don't be sold. “Buy”. (Know your needs and buy accordingly).
2. Don't buy the same kind of products that would compete with each other.
3. Use ethical standards in the procurement of merchandise.

The following basic policies should be observed:

1. Limit procurement to a minimum number of brands or price lines needed to service the maximum number of patrons on board your ship.
2. Purchase only from authorized ships store vendors that sell items listed in this section.
3. Review your records periodically and make adjustments where necessary.

SHIPS STORE STANDARDS & DISCIPLINES

4. Plan your procurement based on stable year round items and seasonal merchandise.
5. For seasonal merchandise, plan well in advance to ensure that it will be received and placed on sale before the season starts.
6. Always consider on-hand position of identical or similar items. Similar items should not be procured when there is old and slow moving merchandise on hand because it will place the new merchandise in competition with the old, slow moving material.

Procurement can be relatively simple and effective when done in a systematic manner, or it can become an incessant headache when sound and proven merchandise techniques and proper stock control procedures are disregarded.

Shopping Guide Departmental Listings

1. **Approved Stock Count.** This shows the number of items that can be selected for a department for a specific crew size.
2. **Additional Items Allowed Count.** This section shows the number of additional line items that ships may carry in a specific department. The automatic contract and ASL listings provide ships with additional items that may be carried in the ships store. Each should check these listings to determine those items availability in the zone the ship is currently in.
3. **Maximum Item Count.** This shows the maximum number of line items that are allowed for your size ship.
4. **Best Sellers.** This section identifies “Ship’s Best Sellers” that if stocked would align a ship’s stock assortment to the best sellers in a category.

SHIPS STORE STANDARDS & DISCIPLINES

| Ship Class | CG / DDG | | |
|-----------------|----------------------|--------------------------|-----------------|
| Department | Approved Stock Count | Allowed Added Item Count | Max. Item Count |
| A1 | 48 | 20 | 68 |
| A2 | 10 | 2 | 12 |
| A8 | 7 | 0 | 7 |
| B1 | 6 | 1 | 7 |
| B3 | 12 | 2 | 14 |
| B6 | 10 | 2 | 12 |
| B8 | 0 | 0 | 0 |
| C1 | 4 | 1 | 5 |
| C2 | 1 | 1 | 2 |
| C6 | 1 | 1 | 2 |
| D1 | 43 | 9 | 52 |
| D2 | 2 | 0 | 2 |
| D3 | 27 | 7 | 34 |
| D5 | 2 | 1 | 3 |
| E1 | 17 | 3 | 20 |
| E2 | 16 | 3 | 19 |
| G1 | 20 | 0 | 20 |
| K4 | 13 | 3 | 16 |
| M3 | 10 | 2 | 12 |
| P1 | 1 | 0 | 1 |
| S1 | 0 | 0 | 0 |
| T1 | 1 | 0 | 1 |
| Total Line Item | 251 | 58 | 309 |

SHIPS STORE STANDARDS & DISCIPLINES

| Ship Class | AS / LPD / LSD | | |
|-----------------|----------------------|--------------------------|-----------------|
| Department | Approved Stock Count | Allowed Added Item Count | Max. Item Count |
| A1 | 62 | 26 | 88 |
| A2 | 10 | 2 | 12 |
| A8 | 7 | 0 | 7 |
| B1 | 6 | 1 | 7 |
| B3 | 12 | 2 | 14 |
| B6 | 10 | 2 | 12 |
| B8 | 0 | 0 | 0 |
| C1 | 4 | 1 | 5 |
| C2 | 1 | 1 | 2 |
| C6 | 1 | 1 | 2 |
| D1 | 43 | 9 | 52 |
| D2 | 2 | 0 | 2 |
| D3 | 37 | 7 | 44 |
| D5 | 2 | 1 | 3 |
| E1 | 17 | 3 | 20 |
| E2 | 16 | 3 | 19 |
| G1 | 20 | 0 | 20 |
| K4 | 13 | 3 | 16 |
| M3 | 10 | 2 | 12 |
| P1 | 1 | 0 | 1 |
| S1 | 0 | 0 | 0 |
| T1 | 1 | 0 | 1 |
| Total Line Item | 275 | 64 | 339 |

SHIPS STORE STANDARDS & DISCIPLINES

| Ship Class | LCC / LHA / LHD | | | CVN | | |
|-------------------------|----------------------|--------------------------|-----------------|----------------------|--------------------------|-----------------|
| Department | Approved Stock Count | Allowed Added Item Count | Max. Item Count | Approved Stock Count | Allowed Added Item Count | Max. Item Count |
| A1 | 73 | 33 | 106 | 79 | 41 | 120 |
| A2 | 12 | 2 | 14 | 12 | 2 | 14 |
| A8 | 9 | 0 | 9 | 10 | 0 | 10 |
| B1 | 8 | 2 | 10 | 8 | 2 | 10 |
| B3 | 14 | 3 | 17 | 14 | 3 | 17 |
| B6 | 14 | 3 | 17 | 17 | 3 | 20 |
| B8 | 0 | 0 | 0 | 0 | 0 | 0 |
| C1 | 6 | 1 | 7 | 6 | 1 | 7 |
| C2 | 1 | 1 | 2 | 2 | 1 | 3 |
| C6 | 1 | 1 | 2 | 3 | 1 | 4 |
| D1 | 56 | 11 | 67 | 60 | 12 | 72 |
| D2 | 2 | 0 | 2 | 2 | 0 | 2 |
| D3 | 36 | 8 | 44 | 38 | 9 | 47 |
| D5 | 4 | 1 | 5 | 5 | 1 | 6 |
| E1 | 21 | 4 | 25 | 22 | 4 | 26 |
| E2 | 17 | 3 | 20 | 17 | 3 | 20 |
| G1 | 25 | 0 | 25 | 32 | 0 | 32 |
| K4 | 15 | 3 | 18 | 17 | 4 | 21 |
| M3 | 12 | 2 | 14 | 12 | 2 | 14 |
| P1 | 1 | 0 | 1 | 1 | 0 | 1 |
| S1 | 0 | 0 | 0 | 0 | 0 | 0 |
| T1 | 1 | 1 | 1 | 1 | 0 | 1 |
| Total Line Items | 328 | 78 | 406 | 358 | 89 | 447 |

SHIPS STORE STANDARDS & DISCIPLINES

Best Sellers

FOOD

| CANDY | NUTS AND FRUIT | COOKIES AND CRACKERS |
|--|---|--|
| <ul style="list-style-type: none"> 0500005818-SNICKERS BAR 0500000403-M&M PEANUT CHOCOLATE CANDIES 0500004160-COOKIE 'N' CRÈME 1.54 OZ 0500000396-TWIX CARAMEL COOKIE BAR 0500000210-REESE'S PIECES 1.53 OZ 1.53OZ 0500000402-M&M'S MILK CHOCOLATE CANDIES 0510000082-SWEETARTS ROPE CHERRY PUNCH | <ul style="list-style-type: none"> 0703000023-HONEY ROASTED PEANUTS TUBE 1.75 0703000002-PLANTERS DRY ROASTED PISTACHIOS 0702000008-FRUITY SNACKS MIXED BERRY 2.5 OZ 0704000005-DAVIDS ORGINIAL SUNFLOWER SEES 5. 0700002163-WELCH'S- FRUIT MIX 2.25 OZ 0705000002-PLANTERS TRAIL MIX SWEET & NUTTY | <ul style="list-style-type: none"> 0600001451-OREO SINGLE SERVE 2 OZ 0600001455-NUTTER BUTTER 1.9 OZ 0600004852-SOFT BATCH CHOC CHIP COOKIES 0600001454-FIG NEWTONS 2 OZ 0600004903-CHEEZ-IT HOT & SPICY CRACKERS 0600004898-CHEEZ-IT WHITE CHEDDAR CRACKERS |
| SWEET GOODS | CONVENIENCE FOOD | CHIPS |
| <ul style="list-style-type: none"> 0740000044-POP TARTS FROSTED STRAWBERRY 0740000043-POP TARTS FRSTD BRWN SUGAR CINN 0740000123-ZEBRA CAKE 3.0 OZ 0700004519-RICE KRISPIES SQRS DBL CHOC CHNK | <ul style="list-style-type: none"> 0708000004-STARKIST CHUNK LT TUNA LUNCH KIT 4 0700000780-INSTANT LUNCH CHICKEN 2.25 OZ 0700000781-INSTANT LUNCH BEEF 2.25 OZ 0700004210-INSTANT LUNCH HOT/SPICY CHICKEN 0700004241-YAKISOBA TERIYAKI NOODLES 4 OZ 0710000056-ARMOUR VIENNA SAUSAGE REGULAR | <ul style="list-style-type: none"> 0750000099-DORITOS NACHO CHIPS 1.125 0750000022-DORITOS SPICY NACHO 1 OZ 0700005924-CHEETOS CRUNCHY 1.25 OZ 0700005943-LAY'S POTATO CHIPS SR CRM/ONION 0750000058-DORITOS NACHO 3.25 OZ 0700005937-FUNYUNS ONION RINGS .75 OZ 0750000066-FRITOS TWISTED HONEY BBQ 4.5 OZ 0750000100-LAY'S POTATO CHIPS BBQ 1 OZ 076000000210-CHEETOS CRNCHY CRN PUFFS FLMN |
| SNACKS | MEAT SNACKS | SPORTS NUTRITION |
| <ul style="list-style-type: none"> 0700006234-COMBOS PEPPERONI CHEESE CRACKERS 1.8 OZ 0750000084-ANDY CAPP HOT FRIES .85 OZ 0700006232-COMBOS CHEDDAR CHEESE PRETZEL 1.8 OZ 0700006236-COMBOS PIZZARIA PRETZELS 0700005919-BAKEN-ETS FRIED PRK SKNS HT/SPCY 3.25 OZ | <ul style="list-style-type: none"> 0700004373-SLIM JIM GIANT ORIGINAL STICKS .97 OZ 0700001819-JALEPENO SIZZLE (TWIN PACK) 1.2 OZ 0700004374-SLIM JIM GIANT TABASCO STICKS .97 OZ 0700006745-AMERICAN (TWIN PACK) 1.2 OZ 0710000059-SLIM JIM ORIGINAL HANDIPAK 4.4 OZ 0710000060-SLIM JIM MILD HANDIPAK 4.4OZ | <ul style="list-style-type: none"> 2700000997-CLIFF BAR: CHOCOLATE CHIP 2700006417-CLIFF BAR: WHITE CHOCOLATE MACADAMIA 2700000999-CLIFF BAR: CHOCOLATE CHIP PEANUT CRUNCH 2700000947-BAR, MYOPLEX CHOC CARAMEL 2700001076-MYOPLEX LEAN BARS CHOC MINT 2730000016-MUSCLE MILK CHOCOLATE |

SHIPS STORE STANDARDS & DISCIPLINES

HEALTH AIDS AND HOUSEHOLDS

| SHAVING & FEMININE HYGIENE | DENTAL | HAIR CARE |
|--|---|--|
| <ul style="list-style-type: none"> 1145000001-FUSION MANUAL RAZOR 1100006422-VENUS DIVINE RAZOR 1158000005-SERIES SENSITIVE SKIN SHAVE GEL 7 OZ 115800000007-SATIN CARE SHAVE GEL PASSION 7 OZ 1100006590-TAMPAX PLSTC PEARL REG UNSCNT 18 CT 1100006516-ALWAYS PANTILNRS THIN REG UNSCNT | <ul style="list-style-type: none"> 110500000006-ORAL-B DENTAL FLOSS PICKS 30 CT 1100005218-LISTERINE COOL MINT 250 ML 1175000002-ORAL-B ADV PLUS 40 TOOTHBRSH SFT 1100006176-CREST PLUS SCOP LIQGEL WHITENING 1100006616-TOTAL PLUS WHITENING PASTE 4.2 OZ 1200001259-TOOTHBRUSH HOLDER | <ul style="list-style-type: none"> 1118000001-HERBAL ESSENCE BODY ENVY COND 1100006482-DOVE INTENSE MOISTURE 1122000002-HEAD & SHOULDERS SHMP CLSSC CLN 1100006261-SUAVE MEN 2 IN 1 1100005659-GEL CONDITIONING & SHINING 1120000001-HERBAL ESSENCE BODY ENVY SHAMPOO 1100006481-DOVE INTENSE MOISTURE 12 OZ 121500000031-BOBBY PINS BLACK 60 PK |
| PERSONAL CARE | FOOT AND SHOE | HOUSEHOLD |
| <ul style="list-style-type: none"> 1100006564-LADY VAMP BATH SPONGE (LRG) 1100006447-OLD SPICE PURE SPORT BODYWASH 1100005784-DOVE DEEP MOISTURE 12 OZ 1168000018-DIAL SPRING WATER BODY WASH 1100005691-Q-TIPS (170 CT) 1100000858-DOVE BATH BAR WHITE (SINGLE) 1200001260-SOAP BOX 1165000001-AVEENO DAILY MOISTURIZING LOTION 1100006502-LUBRIDERM, FRESH SCENT 1100005339-VASELINE LIP THERAPY 1100006291-DEGREE INVIDIBLE SOLID SPORT 1110000007-OLD SPICE HIGH ENDURANCE SOLID 1100006487-DOVE INVISIBLE SOLID FRESH 1100006649-SECRET WIDE SOLID POWDER FRESH | <ul style="list-style-type: none"> 1140000001-TINACTIN ATHFT POWDER SPRAY 1100000711-BABY POWDER 4 OZ 1200001156-AIR PILLO INSOLES UNISEX 1200001074-NAIL W/FILE 1200001075-DELUXE TOENAIL W/FILE 1240000006-LARGE SHOWER SHOE LARGE 1235000001-KIWI PASTE BLACK 1200000103-SHOE SHINE, M26 RECRUIT ISSUE | <ul style="list-style-type: none"> 1210000003 AIR WICK SPRKNG CITRUS 1210000002 AIR WICK STICK UPS CRISP BREEZE 1200000004-TIDE LIQUID PODS OCEAN MIST 1204000001 BOUNCE SCENTED DRYER SHEETS 25 CT 1200001402-LAUNDRY BAG WHITE 24X36 HEAVY DUT 1202000001-LAUNDRY PIN 5" HEAVY DUTY 5513000002-BATH, BRAZILIAN DUNDEE 24" x 50" 5515000001-DUNDEE DOMESTIC 12" X 12" |

HARDLINES AND SOFTLINES

| HARDWARE | AUDIO/VIDEO | EMBLEMATIC SOFT |
|--|---|--|
| <ul style="list-style-type: none"> 2700000005-HV EN MAX AA 4 PK 2700000006-HV EN MAX AAA 4pk 1200001099-BLK DIAL COMBO PADLOCK 153100017-BICYCLE POKER CARDS RACK PACK | <ul style="list-style-type: none"> 2400005786 GUMY INEAR HEADPHONE BLACK 2400005757 MARSHMALLOW IN-EAR HEADPHONE BLK 2400005783 GUMY HEADPHONE WHITE | <ul style="list-style-type: none"> 5500001573 TEE, C-NECK, SS, W/ FRT/BK PRT 5500003232 TEE, CREWNECK COTTON, 6OZ |
| EMBLEMATIC HARD | UNDERWEAR | UNIFORM |
| <ul style="list-style-type: none"> 5339003356 100% EMBROIDERED 3.5 INCH PATCH 5600000056 BOTTLE, POLY-CARB FLIP TOP BPA 2600000392 MUG, STAINLESS WIDEBASE 17 oz. | <ul style="list-style-type: none"> 5530000007 682M-3, NWU BLUE T-SHIRT (3 PK) 5331123314 CHAMPION MENS BLACK CREW SOCK 5500003419 HEALTH W/BLACK-TOP & WHITE FOOT 4500001992 HANES HR WAY LADIES CTN BIKINI 5500002886 HANES CMFTSFT BXR ASST LG 2PK | <ul style="list-style-type: none"> 5300000649 VELCRO BCK, FRT SHIP/NAME BCK NA 5300000521 COMMAND, SNAP BCK, SHIP OR CREST 5300000520 COMMAND, SNAP BCK, FR/SH/BCK/NA 5300000652 VELCRO BCK, FRT ADM EGG SHIP 5300000651 VELCRO BCK, FRT CDR EGG SHIP/NAM 5300000660 COMMAND, VELCRO, SHIP |

SHIPS STORE STANDARDS & DISCIPLINES

Postface

It is human nature for us to be discouraged and/or easily distracted, resulting in a loss of confidence in a business. Having a clear, concise, and well-organized store will increase sales by making it easy for the customer to find what they want as well as pushing them through the store to find what they did not yet know they needed. Having a full looking, clean, and decluttered store shows that the merchant (you) cares and, therefore, cares about the product the customer will ultimately consume. In short, we like order and get inspired by it.

Utilize this book as your cheat sheet to achieve and sustain a customer's confidence. As you had read above, every person who touches the ship store's operations affects the business' outcome. The right merchandise needs to be ordered. The appropriate items and quantities need to be broken out of bulk. (After all, items will not sell if they are not on the shelf and accessible) And the items need to be arranged in a fashion for a customer to easily find it.

The pages before this offer you all the tools needed to have a successful business.