



NEWS RELEASE

Defense Commissary Agency

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New price study validates commissary's 30% savings

*By Kevin L. Robinson,
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FORT LEE, Va. – Commissary savings are now being measured against a wider range of retailers that sell groceries, and the comparison confirms the value of the benefit, according to the Defense Commissary Agency's 2013 price comparison study.

For the first time, the expanded comparison survey allowed DeCA to look beyond traditional grocery stores to include price comparisons with club stores, drug stores, dollar stores and the discount department stores. This comparison validates the current 30.5 percent savings military members and their families enjoy when they shop their commissary, said DeCA Director and CEO Joseph H. Jeu.

"It's not enough for us to *say* that the commissary is worth the trip and a significant part of the military's total compensation package," Jeu said. "This study proves our overall savings hold up across a much wider retail landscape."

Commissary savings percentages are calculated based on an annual market basket study. Procedures differ somewhat depending on geographic location.

In the continental United States, DeCA employs a comparison study, over a 26-week period that ended June 22, which uses Nielsen's database of commissary and industry front end sales volume on 37,000 grocery items with a Universal Product Code. Pricing comparisons for meat and produce department items in the continental United States are accomplished through in-store audits at 30 randomly selected commissaries to compare them with commercial retail stores within commuting distance.

Outside the continental United States (Alaska, Hawaii, the Far East, Europe, Guam and Puerto Rico), DeCA conducts additional in-store audits, using a broad sample of grocery, meat and produce items. Savings percentages compare commissary prices, which include DeCA's 5-percent surcharge, to commercial prices with any applicable sales taxes included.

Last year, with a price survey that focused on traditional grocery retailers, commissary savings were at 31.2 percent. This year's 30.5 percent savings figure comes from DeCA's ability now to access Nielsen's "all outlets combined" database, which allows the agency to compare its prices to more retailers – discount department stores, club stores, drug stores and dollar stores – that also sell grocery items.

"In a sense, now we are tougher on ourselves when it comes to measuring commissary patron savings," Jeu said. "That's a good thing, because it raises credibility."

DeCA significantly increased confidence in its saving survey in the 1990s, when the commissary began to compare pricing on thousands of items, not just a literal market basket of a dozen or two-dozen items. The scope of retailers in the comparison was limited to traditional supermarkets. Later DeCA made an approximated pricing adjustment in the savings calculation, because more types of retailers expanded into the grocery business, but their full pricing data wasn't always available. With "all outlets" retail data available today, DeCA increased the savings survey's accuracy by using actual pricing of the grocery newcomers.

The value of the benefit moved front and center for DeCA's patrons in 2013 as commissary shoppers were impacted by the six days commissaries closed due to sequestration, July 8 - Aug. 18, and again when all but remote stateside stores were closed Oct. 2-6 for the government shutdown.

"Our patrons have been quite passionate about being able to access their commissary benefit," Jeu said. "When word got out on Sept. 30 that we were closing because of the government shutdown, our customers flocked to their stores Oct. 1, making it our largest sales day – \$30.6 million, more than double our normal daily sales volume – of the 21st century. Those numbers underscore the fact that our patrons understand and value the savings they get from their commissary benefit."

Fast facts about commissary savings include the following:

- At 30.5 percent savings when compared to commercial stores, military commissaries saved their customers more than \$2.6 billion.
- For every dollar of taxpayer funds invested in the commissary benefit, authorized shoppers received \$2.08 in savings.

- Commissaries redeemed nearly 100 million coupons in fiscal year 2013 for a customer savings of about \$91 million. DeCA ranked sixth among U.S. retailers in coupon redemptions in fiscal year 2012.

-DeCA-

About DeCA: *The Defense Commissary Agency operates a worldwide chain of commissaries providing groceries to military personnel, retirees and their families in a safe and secure shopping environment. Authorized patrons purchase items at cost plus a 5-percent surcharge, which covers the costs of building new commissaries and modernizing existing ones. By shopping regularly in the commissary, patrons save an average of 30 percent or more on their purchases compared to commercial prices – savings amounting to thousands of dollars annually. A core military family support element, and a valued part of military pay and benefits, commissaries contribute to family readiness, enhance the quality of life for America's military and their families, and help recruit and retain the best and brightest men and women to serve their country.*

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