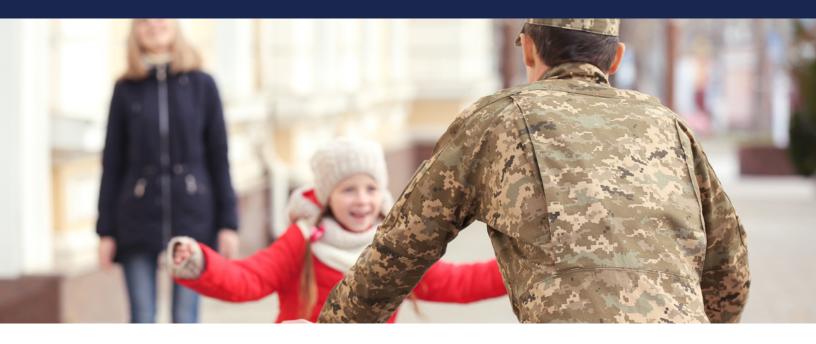
Sheer



BEST PRACTICES FOR CONNECTING WITH THE MILITARY COMMUNITY

The military community is made up of nearly 37 million consumers with a purchasing power of over \$1 trillion annually. This includes active duty, reservists, the National Guard, retirees, military employees, and veterans, plus their spouses and other dependents.

Unlike other segments of consumers, this group of people have specific characteristics that retailers can't ignore. Miltary families surpass the national average along a number of lines:

INCOME

35% higher

VACATION

3x more

MOVE HOUSEHOLDS

2x as often

TRAVEL

Over 5x as often

Beyond that, over \$700 million is spent annually on apparel just by discharged military personnel alone after they retire their uniform and re-acclimate to civilian life.

As with any customer segment, and perhaps more so with members of the military community, your message needs to be relevant and genuine. Creating a relevant military message is about as simple as it gets:

01 Say "Thank you"

Offer a military discount

A military discount is not only a great way to show your support for our troops, it's also a smart way to grow your business and reach new customers. The military community is especially receptive to an exclusive discount message. In addition, when you offer a military discount, the impression of your brand improves even for people who aren't military. You create a positive impression and buzz among people in and outside of the military.

That receptiveness of the military to a discount message results in higher engagement, greater brand loyalty and a true appreciation of the message that a military discount.

Ninety-five percent of present and past military personnel say they are more likely to shop from a retailer who offers a military discount

Ninety-four percent state that they notice when companies are "military-friendly" and have a positive impression of those companies.

Eight-four percent say they are more likely to shop from a retailer year-round if they offer a military discount during military holidays like Veterans Day, Memorial Day, and Independence

A strategic campaign focused on the military community can bring in not only incremental revenue, but also long-term, loyal customers.



66

Fathead has always been committed to providing the best offers and discounts to our country's service members. SheerID has made it easy for Fathead to provide this special offer to members of the military and their family members. We were impressed by SheerID's expertise and knowledge. We wanted to secure military status, and to do it in a seamless way. When we added an everyday military discount, we saw a significant increase in unique visitors, with an even greater increase when we gave more exposure to the program. We feel our military appreciation program has been a great success.

Molly McLeod, Marketing Project
 Manager for Fathead

GETTING STARTED

After working with hundreds of customers who are looking to engage their brands with the military community, we identified the following eight best practices to help you successfully launch your military offer.

recognize them. To be perceived as military-friendly, your message needs to be genuine, truthful, and from the heart.

ff

It's a good feeling to be awarded special discounts to acknowledge service to our country.

Chris T., National Guaro

01

Be Genuine

From franchise "opportunities" to work-from-home deals too good to pass up, there are plenty of not-so-honest companies out there trying to take advantage of veterans and military retirees, so it's no wonder the military community views some special military promotions with suspicion. It's worth noting that they may initially be more cautious of a discount than most of your customers. Keep it simple; offer a discount and a sincere "Thank you for your service." This point can't be overstated. Just like a college student will see right through you if you try to come off as the "hip" brand when that isn't how you've branded yourself, if your appreciation isn't sincere, the military market will notice. We recommend taking a look at your own company culture before you get started. Recognize your employees who are veterans, military spouses, reservists, and National Guard and get them involved in developing the military campaign. You'll learn a lot about how to engage with the military community and start to develop a culture that is more aware of the sacrifices our military makes and what you can do to

02

Reach Them Where They Are

Active duty military are often posted abroad. Many military families live on bases or in small towns near bases. The downside to these locations? They're not in close proximity to malls, superstores, or your brick-and-mortar shop. The upside? It's easier to target your marketing efforts and meet the military community where they are, whether that's on base or online.

Online

The military community purchases more products online than civilians, and 71 percent say they would use a military discount "way more" if it was available online. Be sure to use a verification engine like SheerID to make your online military discount truly exclusive, then post the offer where your audience is most likely to see it. This allows them to shop conveniently,

Another reason to reach the military segment online is that they develop tight communities, even though they move often and are frequently stationed in posts around the world. To keep connected, the men and women of our armed forces use robust, well-attended, very active online forums and communities. According to a study by Blue Star Families, the three most popular military communities are Military.com, Military Times, and Military OneSource.

Ninety-four percent of military family members

use social media, compared to 73 percent of the general adult population, according to Blue Star Families. Facebook is the most popular network among adults in the military community. Facebook ads allow you to reach the military audience in a targeted fashion.

Make sure to have a shipping option that ships to APO/FPO addresses and don't over-charge for the option. The military community needs to save when it can, and appreciates little gestures that show the brand they're buying from understands their position.



Traditional

You can increase the visibility of your military offer if you promote it in areas where there are a high percentage of service members. Texas, California, North Carolina, Virginia and Florida have the highest concentrations of active duty military and veterans. Norfolk, VA, Washington DC, Colorado Springs, CO, Houston, TX, and San Diego, CA, are also good places to concentrate your efforts. One-Third of all officers live in the DC area. Take your existing, traditional PR or marketing campaigns including print ads, radio ads, billboards, and newspaper press releases, and geo-target them towards these cities that have Navy, Army, Air Force, or Marine bases.

Advertise on base and with military-specific sites and pubs. Did you know that military bases have their own newspapers? Not only that, but surveys commissioned by the Air Force and Army indicate that nearly 90 percent of active duty personnel read military newspapers.

Take that extra step to become a part of the military community by hosting or sponsoring an event or publication. Remember, your entire campaign needs to focus on being relevant and genuine. Is there a Veterans Day event near you? Is there a local charity that focuses on military issues? Get involved and show the men and women of the military community that you truly care.

03

Speak Up

It's a crowded market, so a timid offer and shy marketing is not going to bring you the ROI you want. Make sure your offer is exclusive and robust. Offering a 10 percent discount to military and then having a coupon on RetailMeNot for 20 percent is disingenuous and will alienate the community quickly. This is where partnering with SheerID for verification can bring you additional value. If you verify eligibility, making sure that only military personnel can redeem your military offer, you then can make the offer richer, market it wider, and be confident that your great offer is protected. The average military discount offered by SheerID clients is 25 percent.

Part of the beauty of a military discount is that it is one of the few special discounts that all of your customers feel good about. Your civilian customers won't resent you for offering a military discount; they'll probably applaud you for it. After launching a new military discount for the first time, one SheerID client set up a split test to see whether a page openly advertising the military discount performed better than a page that didn't. They saw an overall 10-12 percent lift in conversion rates on the version that advertised the military discount. Highlighting the protected military discount not only increased incremental revenue from military families, it had a positive impact on overall sales. Use this rare trait to your advantage; don't hide your military discount on a secret landing page.

GG

I shopped at stores that offer discounts to vets even before I was one myself. I appreciate a company that does their part.

Melissa A., veteran

Once you've decided on a rich military discount, shout about it! Put signs up in your store, put up a banner on your home page, and talk about it in your newsletter and your social media messaging. Remember to include at least one sentence about it in your print ads, press releases, and traditional marketing materials.

Once you've exhausted the obvious channels, get creative! You could offer your customers a promo code if they refer a military member or spouse. Create an e-card for your fans to send to their friends and family who are in the service to thank them for their sacrifices (and discreetly remind them that they get a military discount when they shop with you). Hold in-store sales for Memorial Day and Veterans Day for all your customers and offer an extra 10 percent of to those who bring a veteran with them (and for the veteran, too).

04

Press

Now that you have a strong offer and a bold, far-reaching marketing plan, don't forget about the press. Reaching out to the military market with a "Thank you for your service" is something that the news likes to talk about. Even if you

are a company that doesn't normally do a lot of press, this is a sure-fire win for your company to receive good press and great buzz.

Watch Your Timing

If press is one of your tactics for announcing your military offer, timing your press push before a "military" holiday is important. Many editors turn their focus to military issues around Veterans Day, Memorial Day, and Independence Day. May is Military Appreciation month, which makes it a great time to announce a new military discount. Send your press releases early so reporters know that you want to be included in the discount lists that are published. Then follow up as the date gets closer.

Be Consistent

If your discount doesn't get picked-up at your launch around Veterans Day, send another release in May and another at the end of June. Eventually you will get noticed and published along with big names like Lowes, Applebee's, and Disney, all of whom consistently offer a military discount.

Watch for Trends

Just like the pros, find all the articles you can about military discounts and create a spreadsheet of the journalists who wrote them. Then, when you are ready to talk about your military offer, send personalized messages to that list. Do the same with publications and websites who tend to cover military concerns. The Sacramento Bee

(the newspaper in Sacramento, CA) is an example of an outlet that follows military issues closely.

05

Expand Your Reach by Including Military Families and Veterans

If you total up active duty, reservists, retired military, and employees, the military market is about 8.2 million consumers. That's a lot of potential new customers, but it represents only a fraction of the military community.

Military spouses and veterans represent 20 million consumers who make the majority of purchasing decisions, totaling over \$1 trillion in purchasing power annually. You can more than double your reach by extending your military discount to include veterans and spouses.

GG

I appreciate living and working in a community that honors those who have served.

Sarah H., military spouse

The tricky thing about including veterans in your military discount campaign is that most veterans aren't automatically issued a military ID when they leave the service. Instead, they have to request one. And even the veterans who have a valid military ID rarely carry it on them at all times. The dependents of military don't always have ID either. Luckily, there's an alternative to the "show and save" model. Instead of requiring service members to show a military ID in person, use SheerID's verification system to verify anyone, anywhere, any time.

06

Word of Mouth

Marketers have a love/hate relationship with word-of-mouth. When it is harnessed and channeled, it is a powerful tool that expands the reach of your marketing budget exponentially. However, it can be difficult to track and measure.

Seventy-six percent of the military community say they learn about military discounts from word-of-mouth. The second highest ranking medium is print ads at only 30 percent. Based on what we already know about the military's close knit relationships, we recommend paying attention to the power of word-of-mouth. Members of the military trust each other and can be suspicious of outsiders' offers, which is just another reason to make sure your offer is genuine, exclusive, robust, and well thought out.

CC

I tend to tell all the veterans that I know about discounts when I hear about them.

Bob S., veteran

Another important factor here is to make sure it is easy to redeem. As with any customer, follow best practices. Do not ask them for any unnecessary information or make them join an extra mailing list or "community" just to get your discount. If they suspect anything fishy, the word will get out quickly, and you'll hear crickets instead of the cash register. On the other hand, picture the wildfire of buzz that will spread around a robust, targeted, exclusive military discount that was easy for them to redeem. Make your product, your marketing, and your special offers relevant

and unforgettable, and ensure that your buying process is simple. That loyalty and good buzz around your offer will expand your marketing exponentially.

07

Keep in Touch

While this may sound contradictory to what we just explained above, keeping in touch is incredibly important. While forcing members of the military to join a mailing list to redeem an offer is definitely not the route to take, there are other ways to encourage them to let you stay in touch. Do this by offering your military customers the option to receive a monthly newsletter that includes exclusive offers. Remind them regularly that you offer a military discount, and be sure to give them a heads up about any special sales or promotions you're running for holidays like Memorial Day or Veterans Day. Keep your content relevant to their interests.

You can collect email addresses through your online shopping cart with an opt-in option, or you can hold a special contest or sweepstakes just for service members and their families that requires participants to provide their email addresses to enter.

08

Do Your Homework

If you are going to offer a military discount, make sure and follow the lead of companies who are doing it well.

These organizations consistently provide simple-tounderstand offers, no arbitrary restrictions, and welladvertised programs that spread the word to the military community. Birdies for the Brave distributes free and discounted tickets to select PGA TOUR events for active-duty military, reservists, National Guard, veterans, and first responders. In the last year, military personnel received \$3.7M worth of Birdies for the Brave admission vouchers.

Fathead hosts a monthly sweepstakes for military families and awards five custom decal creations a month to the winners. The sweepstakes is prominently featured in the "Win Stuff" section of their web site. Fathead saw a 700 percent increase in military engagement when they added an everyday military discount.

Tommy Hilfiger brought their in-store military discount online to improve their customer experience. The military discount offer is displayed during check out, along with 2 other protected offers. Within three months, the three exclusive offers accounted for 10 percent of total site sales.

CONCLUSION

The military segment votes with its dollar. Offering an exclusive military discount gives them the recognition they deserve and, if done correctly, gives your company a solid, loyal customer base.

Create a great offer, protect it with a verification service, and get the word out.

It really is that simple.

