

# MOTIVATIONMATTERS

November/December 2009



## Businesses Adjust to a New Holiday Spirit in Uncertain Times

The U.S. economy may have begun to recover in 2009, but holiday office parties are sinking even further into the dumps. Fewer companies plan to break out the bubbly this season than in 2008, according to a survey from the human resources firm of Challenger, Gray & Christmas. Only 62 percent of about 100 companies responding to the survey were planning holiday parties this year, down from 77 percent a year ago and 90 percent in 2007, as recession-era cuts extended from benefits and profit-sharing to Santa hats and disc jockeys. Among companies that are going ahead with the festivities, nearly two-thirds said they would do without a caterer, event planner or other outside service. This could mean an employee will be conscripted to set up the party – or that workers will have to help stock the refreshment table themselves.\*

Although the recession may force you to rethink your holiday parties and business gifts, don't forget that people are your front line of defense in tough economic times. Your employees and channel partners are the

means to innovation, cost savings, increased profitability, organizational growth, and more satisfied and loyal customers.

Businesses that are working with their employees and show their appreciation are weathering the storm better than most, and positioning themselves advantageously for better economic days. The body of evidence proving the economic merits of People Performance Management is clear and growing rapidly. A recent study conducted by the Corporate Leadership Council found that increasing employee commitment levels can lead to a 57% improvement in their discretionary effort, which can then lead to a 20% improvement in overall performance.

So this holiday season you don't need to spend a lot of money but you do need to make an effort to thank and recognize the people who are important to your business – your employees, partners and customers.

\* Source: REUTERS, October 28, 2009

## JCPenney's "Joy of Giving" Program

"Consumers are focused on making smart spending decisions this season without sacrificing style or quality," said Myron Ullman, III, chairman and CEO for JCPenney. "This plays right to our strengths as we have a meaningful gift assortment that will make it fun, festive and affordable to select gifts for family and friends."

JCPenney is again offering red box gift items, which include a roll-up drum set for \$49.99 and a USB turntable for \$89.99 which allows users to transfer their favorite vinyl albums to their personal computer.

JCPenney's marketing campaign will also celebrate the "Joy of Giving" through an enhanced, interactive jcp.com experience; a gifting application on the company's Facebook page ([www.facebook.com/jcpenney](http://www.facebook.com/jcpenney)); display ads on various consumer websites; a special mobile phone Wireless Application Protocol (WAP) site; and more.

### JCPenney Launches *she said*<sup>™</sup>

JCPenney recently launched *she said* – a contemporary career sportswear brand catering to the female professional. *she said*, now available in-store, online and by catalog, allows customers to mix and match pieces from the collection.

"The launch of *she said* strategically positions the company to meet the demand for a sportswear collection that works into a younger customer's everyday life with cutting-edge style and quality at affordable prices, ultimately making JCPenney *the* destination for this important customer niche," said Liz Sweney, executive vice president for Women's at JCPenney. "*she said* is the latest example of how our in-house design talent - along with our cycle time/flow initiatives - is a strong competitive advantage for JCPenney, providing us the capability, flexibility and speed to step up our style with a variety of new contemporary brands."

*she said* joins JCPenney's growing assortment of contemporary exclusive brands including *Bisou Bisou*, I "Heart" Ronson, ALLEN B., Oxford & Regent and *Twelfth of Eleven*, creating a coalition of brands that provides customers with a variety of style and fashion at affordable prices.

## JCPenney Recognized for Sustainability Efforts

JCPenney has been named to the 2009 Dow Jones Sustainability Index (DJSI) of the leading companies in North America for corporate sustainability and has also ranked in the Top 50 in Newsweek magazine's inaugural Green Rankings, which selected the 500 "Greenest Big Companies in America."

"Being named to the Dow Jones Sustainability Index and included in Newsweek's first Green Rankings is welcome recognition for the work being done by our Associates across the Company to incorporate sustainable practices into our business," said Myron E. (Mike) Ullman III, chairman and chief executive officer. "Operating in an environmentally and socially responsible manner benefits our business, our customers and our communities, and it's integral to achieving our goal to become America's preferred place to shop."

Launched in 1999, the Dow Jones Sustainability Indexes are the first global indexes tracking the financial performance of the leading sustainability-driven companies worldwide.

Newsweek magazine worked with leading environmental researchers KLD Research & Analytics, Trucost, and CorporateRegister.com to rank the 500 largest U.S. companies based on their actual environmental performance, policies, and reputation. JCPenney was ranked as #44 in the list.

JCPenney's sustainability efforts build on its corporate social responsibility platform – JCPenney C.A.R.E.S. – which addresses the five key areas of Community, Associates, Responsible Sourcing, Environment and Sustainable Products.



## JCPenney Customers “Round-Up” to Support Afterschool Programs

Coinciding with America After 3PM, an extensive study demonstrating that availability of afterschool programs is not keeping pace with rising demand, JCPenney is inviting customers to help support this critical issue through its Round-Up program. From now through Oct. 25, JCPenney customers will have the opportunity to “round-up” their JCPenney purchases to the nearest whole dollar and donate the difference to provide children in need with access to life-enriching afterschool programs in their communities.

In partnership with the Afterschool Alliance, the JCPenney Afterschool Fund has released America After 3 PM: A Household Survey on Afterschool in America – the most in-depth study ever done to explore how America’s children spend their afternoons. High-level details of the survey state that the number of children left alone after the school day ends has risen to 15.1 million (26 percent of school-age children) – an increase of 800,000 children since the 2004 edition of the study, which was also sponsored by the JCPenney Afterschool Fund. The full America After 3 PM report is available online at [www.jcpennyafterschool.org](http://www.jcpennyafterschool.org).



Sponsoring the America After 3 PM study and the Round-Up program are a few of the initiatives led by JCPenney to help increase the accessibility of afterschool programs across the country. As one of the leading corporate advocates of the Afterschool issue, JCPenney has helped build the national afterschool infrastructure and provide innovative programming in local communities – preparing children for college, work and life.

In 2008, the JCPenney Afterschool Round-Up program generated \$3.3 million in contributions to afterschool programs nationwide. Each year, 100 percent of the Round-Up proceeds are given directly to local afterschool programs in the more than 1,100 communities where JCPenney has stores.



## Olsenboye Brand Launches Exclusively at JCPenney Features Unique Marketing Campaign Catering to the Teen Consumer

Olsenboye, an exclusive new Juniors brand of casual sportswear and accessories created by Mary-Kate Olsen and Ashley Olsen, is now available for a limited time on [jcp.com](http://jcp.com) and in select JCPenney stores, with a full launch set for spring 2010.

“Our Juniors customers have grown up with Mary-Kate and Ashley and look to them not only as authentic designers, but also as style icons,” said Liz Sweney, executive vice president and general merchandise manager of Women’s apparel at JCPenney. “The launch of Olsenboye brings aspiration and sophistication to our Juniors department, while underscoring our commitment to continue to step up our style and offer our younger customers new, fashion-forward merchandise at affordable prices.”

“Mary-Kate and I watch current trends and see our partnership with JCPenney as an opportunity to add something unique to the marketplace, especially in the current retail climate,” said Ashley Olsen.

Inspired by teen trends from cities around the world, each travel-themed collection of Olsenboye will highlight different cities, providing the Juniors customer constant merchandise changes with fun, spirited and edgy styles featuring a wholesome feel.

To market the new brand to the Juniors customer, JCPenney has created a unique launch experience using innovative initiatives – including enticing sneak peeks and limited offerings, as well as digital, guerrilla and viral marketing tactics – that are relevant and reach teens on their terms, while encouraging them to explore, discover and experience the Olsenboye brand.

“Ashley and I felt strongly about creating a unique experience to reach the teen customer, using relevant marketing strategies that would effectively reach this key customer demographic,” said Mary-Kate Olsen.

## JCPenney Launches First Mobile Coupon Scanning Program

### Breakthrough Technology Allows Customers to Download JCPenney Coupons on Mobile Phones That Can Be Scanned In Stores

In a first-of-its-kind program for a US retailer, JCPenney and Cellfire Inc. are helping shoppers in the Houston metro area conveniently ring up savings with an innovative cell-phone coupon program. Using breakthrough technology, customers are able to download and carry coupons on their mobile phones that can be scanned directly from the phone's display screen at the register. New imaging scanners capable of reading these "2D" barcode coupons have been deployed at point-of-sale registers in 16 JCPenney stores in the Houston test market.

# Perfect for the Holidays

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