



# UPC Codes What Are They Really All About?

Wednesday, May 21, 2014

9:00am-10:00am

Craig Kreider



# Agenda

- Ahold USA
- Grocery store evolution
- UPC codes – History
- UPC/Bar Codes
- Global Data Synchronization Network (GDSN) - GS1
- GDSN Standards
- Other item identifiers
- Mfr/Retailer UPC challenges
- Other Retailer WIC challenges

# Ahold USA

- Four Regional Divisions + Peapod
  - Giant Carlisle
  - Giant Landover
  - Stop & Shop New England
  - Stop & Shop New York Metro
- 117,000 Associates
- 770 Supermarket Locations
- 13 States and the District of Columbia

## Brands



**GIANT**

**MARTIN'S**

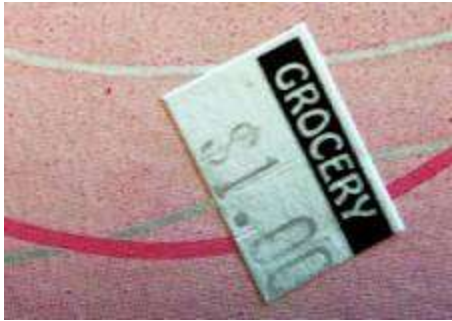
Peapod

# Grocery Store Evolution

- General Store



- “Grocery Store”



# Grocery Store Evolution

## Today

- 265,000 SKUs
- 1,500 new items last week
- 600 Discontinued items last week





# Universal Product Codes (UPC)

- Several groups working on technology in 1960s
- IBM UPC technology adopted in April, 1973
- Marsh Supermarket – Troy Ohio – 1974

Wrigley's gum – first item scanned

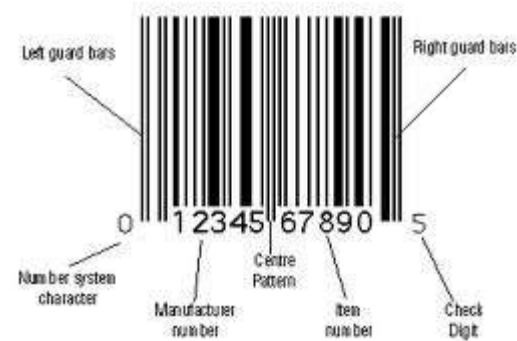
- Technology slowly gained foothold
  - 1978 – less than 1% of grocery stores had scanners
  - 1981 – 10 percent
  - 1984 – 33 percent
  - 2011 – 60+ percent
- Scanning Technology has continued to evolve
  - Self Checkout
  - Mobile scanning
  - Smart Phones



# UPC/Bar Codes continued

- Advantages of UPC bar codes

- In-expensive for suppliers to apply
- Easily recognized by scanners
- Shrink to fit smaller items



- Evolving Types

- UPC A – classic format
- EAN-13 – International Article Number
- GS1-128 – additional information pieces
- GTIN – Global Trade Identification Number
- GS1 Databar – reduced space versions



**THE DEMO COMPANY**  
No. 1 MAIN STREET, ANYTOWN, Co. ANYWAY

Product:  
Fizzy Orange Soda 500ml x 24

SSCC:  
353912345678910118

GTIN:  
05391234567892

Best Before Date: 31/12/2005    Batch Number: APO1536Z

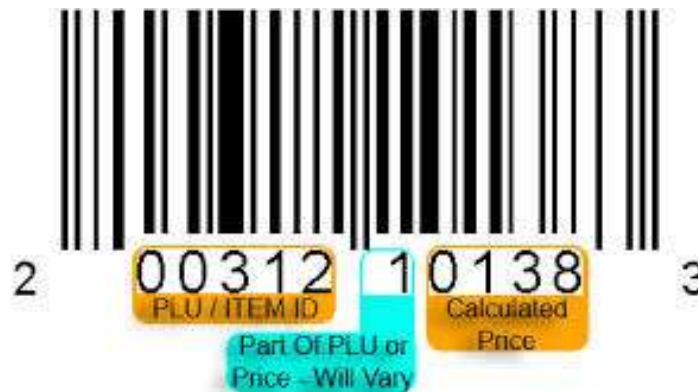
(01)05391234567892(15)051231(10)APO1536Z

(00)353912345678910118



# UPC/Bar Codes - continued

- PLU – price look up codes
  - Standardized for Produce – 4011 Bananas
  - 9 lead for Organic Produce
  - Retailer defined – store made items, Meat, Seafood
- “Type 2 UPCs”
  - Random Weight items
  - Bar code reflects Item and weight/price





# Global Data Synchronization Network (GDSN) - GS1



THE GLOBAL LANGUAGE  
OF BUSINESS

- International Non-Profit Association
- Members in 100 countries
- Development of Global Standards
  - Business to Business standards
  - Business to Consumer standards
  - Supply Chain efficiency gains
- Sectors
  - Retail
  - Health Care
  - Logistics
  - Others

# GDSN - GS1



THE GLOBAL LANGUAGE  
OF BUSINESS

## Simply Explained



# GS1 Standards – GTIN Allocation

A separate unique GTIN is required whenever any of the pre-defined characteristics of an item are different in any way that is relevant to the trading process. The guiding principle is if the customer is expected to distinguish a new trade item from an old trade item and purchase accordingly, a new GTIN should be assigned.

## Key standards

- Any change in Net contents requires a new GTIN
- Changes to Gross Measures of Trade Items that are less than 20% do not require new GTINs



# Retailer Challenges



# Retailer Challenges





# Retailer Challenges - WIC

- New Items – proper coding
- “Prescribed” versus Contracted Baby Formulas
- Active for Purchase – no Tag
- “Private Label if available”
- “Least expensive Brand”
- Change timing – store tags
- E-WIC – branded items for smaller retailers

# Questions?



Thank you

