

# The name game

By Meg Major

**T**he groundswell of support is rising for standard Global Trade Identification Numbers (GTIN) and GS1 DataBar (formerly known as Reduced Symbology System, or RSS), which together comprise what is often described as the single most important initiative the fresh produce industry can undertake.

One global communications language that would allow for increased information capture, faster POS throughput, effective category management, effective traceability, fresher product, and shrink reduction. What's not to like? Well, implementation of a uniform system of identification will be relatively expensive, for one thing. It could potentially require each participant in the produce supply chain to upgrade its system to get in line and effectively employ GS1 product identification standards and technologies.

## System challenges

In the most recent research available on the challenge of industrywide implementation, conducted by the Produce Marketing Association in September 2005, only 30 percent of 100 produce suppliers and 43 buyers surveyed were using GS1 standards at the item level, 6 percent had it in place at the case level, and a mere 4 percent at the pallet level.

Still, labeling has come a long way since the process for developing a uniform standard got underway in 1982, says Francis X. Garcia, s.v.p./global sales and marketing for Fresno, Calif.-based

Sinclair Systems International, a pioneer in the field and one of the world's largest fruit labeling manufacturers.

"Produce vendors used fruit labeling solely for branding, in an effort to bring awareness to their product," explains Garcia. "In the early '90s, the PLU came along, which enabled retailers to correctly identify and price the fruit. Now the introduction of GS1 DataBar enables greater data capture so that both vendor and retailer have more information to manage the category."

For the retailer, the biggest challenges surrounding GS1 DataBar stem from technology or, more specifically, the lack thereof. "Retailers will need to decide whether they want to capture and manage the additional data provided by DataBar," notes Garcia. "This also entails ensuring that POS scanners and software are DataBar-enabled." Further, he points out, changing over from PLU to bar code systems will require retailers to load many more line items onto their databases.

Along these lines, Garcia says the most common misunderstanding among industry players "is the belief that DataBar code used for produce is capable of encoding more information than the UPC." The 14-digit number encoded in DataBar is a UPC plus two zeroes, he adds.

Meanwhile the industry has seen a significant increase in the number of produce vendors using DataBar, thanks to pilots involving Wal-Mart and Loblaws. "In the past two months, it appears, two to three new vendors begin bar-coding each week," Garcia says. But

the cost of adopting the new technology remains the primary obstacle for many vendors, "some of which are awaiting definitive evidence that other retailers will also require DataBar."

Then there are the potential consumer benefits of the new DataBar. Garcia cites three primary advantages, most important of which is an "added measure of traceability that bar-coded produce provides, so that, if need be, produce at the

out have already shown a preference for the speedier DataBar vs. the PLU."

Indeed, Garcia says, "The two retailers conducting the DataBar pilot have seen a real benefit in self-checkout. Consumers have asked for more scannable product."

## Facing the future

To that end, Terry Humfeld, PMA's v.p./volunteer leadership relations, recommends that the industry assign GS1 DataBar item reference numbers at the same level of granularity currently used for PLU codes.

"PLUs are typically based on three attributes: Commodity, variety, and size group," notes Humfeld. "The size group attribute typically captures multiple sizes into one group, such as small, large, or extra-large. This level of granularity is very well understood between buyers and sellers. A higher level of granularity for DataBar item reference numbers would typically require major and expensive changes in the packing lines of grower shippers."

PMA also recommends that the PLU continue to be printed on the DataBar sticker as a manual backup for those retailers who have a slower migration to the technology, or in the event that the bar code doesn't scan. Still, the new system seems set to take hold.

"The world is moving in the direction of requiring more information, not less," observes Garcia. "It appears as though GS1 DataBar will be a big part of our industry's future in the near term." ■



item level can be traced back to the vendor. Recent events indicate that this will procure a higher degree of consumer confidence," he says, alluding to the stream of product recalls that washed over the market in recent months.

In a less obvious manner, "Better category management at the retail level should result in more consumer choice and higher-quality fruit availability," says Garcia. "The improved quality will come from better-managed shrink and the weaning of low-quality produce supply. Finally, consumers who pay via self-check-