Correct labelling
– part of your product and your brand

Introduction

Correct labelling is essential to efficiently buy, store, sell, manage and track goods. By extension, it also increases product availability to consumers in the store. Correct labelling reinforces your brand and improves collaboration with the customer.

It is important that goods are labelled as early as possible in the supply chain and that labelling follows a standard that is common to all parties. In this way it is possible to achieve maximum efficiency and security. In the future, the demands for an efficient and secure supply chain with full traceability will increase. For the consumer, traceability and information on the article's origin will become increasingly important. Correctly labelled goods are also a prerequisite for full traceability.

This guide has been developed in collaboration between Svensk Dagligvaruhandel (SDH – the Swedish Grocery Retailers' Association), Dagligvaruleverantörers Förbund (DLF – Grocery Manufacturers of Sweden) and GS1 Sweden. The guide explains the advantages of correctly labelling outer packaging and pallets early in the supply chain. There are also practical tips and ideas on how to establish and maintain proper labelling. The aim is to increase the proportion of correctly marked goods in Swedish grocery stores.

Benefits of correct labelling

With proper labelling, goods can be handled efficiently through the supply chain. Correct labelling also makes it possible to streamline business processes and simplify trade between companies.

GS1 standards are well established and are used for identification and bar code labels in many different sectors worldwide. Common standards are a prerequisite for good cooperation and effective exchange of information between trading partners. SDH and DLF recommend GS1's standards to ensure cost-effective and efficient handling of goods in grocery retail.

Correct labelling for the Swedish grocery retail trade means:

- **correct information** – information in the barcode and/or pallet label follows GS1's standards.

- **readable Information** – the barcode follows GS1's standards and is readable.

- **proper placement** – the bar code or label is correctly positioned according to GS1's standards.

Read more about GS1's standards at **www.gs1.se**

Correct labelling provides traceability and security

With correct labelling it is possible to follow goods through the supply chain. This provides traceability which improves security for the consumer and makes possible the effective management of any recalls. Traceability is also regulated by law for both food and pharmaceuticals.

Customers and consumers are putting more demand on good product safety. Correct labelling makes it possible to check the source of raw materials and finished products and where they have been delivered. Good traceability and product safety creates trust in your company and protects your brand.

Read more at **www.livsmedelsverket.se** and **www.lakemedelsverket.se**

Correct labelling provides greater efficiency

When the outer packaging and pallets are properly labelled, the entire logistics chain becomes more efficient since manual effort is reduced. An accurate and legible label is also a prerequisite for efficient automated handling of goods.

Correct labelling provides advantages for all parties:

- **The supplier** gets his items available for picking earlier.
- **The carrier** has less waiting time when unloading.
- **The recipient** gets more secure and efficient handling.

Correct labelling will improve in-store product availability

When the supplier labels the outer package or pallet correctly, the wholesaler will not need to re-label the goods at their link in the supply chain. Goods receipt will be more efficient and items will be available for picking in the warehouse sooner. The quality of delivery to stores improves since manual effort and the risk of errors is reduced. This in turn results in improved delivery performance to the stores. The risk that the goods run out on the shelf is reduced and product availability to the consumer increases.

Implementing correct labelling

When a company starts a project to implement the labelling of outer packages and pallets, it is important to get familiar with GS1 standards at an early stage. Time and money will be saved by getting things right the first time, instead of spending resources fixing any errors in retrospect.

In order to create good conditions for a successful implementation, competence in GS1 standards should be widespread and firmly established throughout the company. It is also important to define a clear specification for implementation and ensure that the right company functions are involved in the project:

- **Production/Logistics** – To ensure that the labels on the pallet and the outer package are of high quality, it is important for production and logistics staff to know how the standard should be used in practice.

- **Systems Manager** – To know what and how the standard is to be implemented and synchronized with the system, knowledge about existing systems is required. This provides the conditions for developing a solution that reduces manual effort. It is also important that the system manager has knowledge of GS1 standards in order to implement these properly, so that a non-standard solution is not developed.

- **Hardware and software vendor** – The supplier of hardware and software contributes knowledge when equipment is purchased, upgraded or replaced.

- **Purchasing and Marketing** – It is vital that the whole organisation has an understanding of the demands made on labelling and how important it is to have readable bar codes that are of high quality. The marketing department's job is also to continuously inform customers about the project.

Mark outer package correctly

The outer package can be labelled with one of the bar codes EAN-13, ITF-14 or GS1-128 according to GS1 standards. Choose the bar code based on intended use and how much information needs to be held in the barcode. Swedish grocery stores prefer the outer package to be marked with GS1-128 as the bar code can contain more information than EAN-13 or ITF-14.

Read more about the labelling outer packaging at **www.gs1.se/ytterforpackning**

Name of the manufacturer Logo etc.	
PRODUCT NAME	
GTIN	Supplier´s art. no.
17350053850016	**5001**
Best before	Batch no.
12. 12. 2010	**12345**

(01)17350053850016(15)101212(10)12345

Mark the pallet correctly

Pallets must be labelled with the GS1 Pallet Label. This is needed for identification and handling of stock and for the customer's good reception and stock keeping. The barcode on the pallet label must be GS1-128. Read more about the labelling pallets at **www.gs1.se/pall**

Free information e.g. Company Name of sender. Address. Product Description,	
SSCC	
373500538500000010	
CONTENT:	COUNT:
17350053850016	**160**
BATCH/LOT:	BEST BEFORE:
12345	**12. 12. 2010**

(02)17350053850016(15)101212(37)160

(00)373500538500000010(10)12345

Correct labelling – implementation checklist

1. Order a subscription for a GS1 Company Prefix

A subscription with GS1 Sweden for a GS1 Company Prefix gives access to the entire GS1 system

- Identification of items (GTIN), businesses (GLN) and packages (SSCC).
- Bar codes, such as GS1-128 and the GS1Pallet Label.
- Business processes for electronic commerce such as ESAP20.

2. Create the numbers

Create an article database where you number the outer packaging and pallets with a GTIN (Global Trade Item Number). GTINs are created using the GS1 Company Prefix.

The GS1 Company Prefix is also used to number pallets with SSCC (Serial Shipping Container Code).

3. Choose a supplier of bar code equipment

Consider the following when purchasing bar code equipment:

- Select equipment depending on whether you are integrating with existing hardware or software. If the equipment is not integrated with the system it is quicker and easier to get started, while a

device that integrates with the system provides a greater degree of security and reduces costs since a duplicate article database is not needed.

- Choose established software to generate labels and bar codes. This provides better security than a proprietary or free system for creating bar codes.
- Ensure that the printer can handle the environment and the volumes that will be involved and that the printer can generate text or print labels in the format used.
- Ensure that the equipment can print bar codes and labels that are of sufficient quality to be readable in the target environment.

4. Choose label material

Find out which label materials and adhesives that are best suited for the product and for the target environment. Label materials may include paper or plastic, and glue may need to be moisture resistant. If the label is to be affixed to SRS totes, Svenska Retursystem can provide advice on approved adhesives. If labels are not used, ensure that pre-printed outer cases are of readable quality along with any in-process application such as date stamping, etc.

5. Choose bar code standard

The outer package must be labelled with one of the bar codes EAN-13, ITF-14 or GS1-128. Swedish grocery stores prefer the outer package to be marked with GS1-128 as the bar code can contain more information than EAN-13 or ITF-14.

Pallets must be marked with the GS1 Pallet Label, which includes the bar code GS1-128.

6. Choose bar code size

Choose the bar code size depending on application and the target environment. The GS1 standard specifies the sizes permitted for the bar code to be readable.

7. Check the bar code quality

With GS1 Sweden's service Validoo barcode, you can get help to verify that the bar codes follow GS1's standards so that they work when they are needed.

8. Place labels according to the standard

There are rules about how bar codes and labels should be placed on the outer packaging or pallet which make it easy to find the bar code when it is read. Moreover, correct placement is a prerequisite for automatic reading.

9. Check the labels continuously

To maintain the barcode quality and content, the readability of labels should be continuously monitored.

10. Appoint responsible person

Designate a person with responsibility for the ongoing work to produce labels that are correct and of the right quality:

- Hardware
- Software/systems
- Content on the label
- Quality control

Tips for maintaining correct labelling

✓ Clean the print heads on a regular basis and ensure that they are intact. Otherwise, dirty or broken print heads give white vertical or horizontal lines in the barcode.

✓ Ensure that space on the label is large enough for the bar code and light margins on the right and left side and the tolerances of the barcode when printing.

✓ Maintain the quality of chosen label materials so that they will withstand "wear" in handling, such as abrasion, sunlight, intense cold and wet conditions without losing legibility.

✓ Labels, glue and environment must work together with the chosen packaging materials. Items may be kept frozen, chilled or at room temperature – check that the label does not fall off.

✓ Check the barcodes continuously or on a sample basis to ensure quality over time.

Did you know that?

• Poor quality of the lines impairs reading.

• If the barcode is too small it is difficult to read.

• Misplaced labels take more time to read.

• Wrinkled labels cannot be read.

• If the GTIN and SSCC in the bar code do not correspond to the electronic information, for example, article information and despatch advice, traceability will be lost as well as the connection between the article and correct information.

• The bar code Code 128 cannot be used because it does not comply with GS1 standards. Instead use GS1-128.

Want to know more about the correct labelling – Order the poster "Do's and don'ts around bar codes" from GS1 Sweden, **tel: +46 8 50 10 10 10.**

Next Step – Electronic commerce

When proper labelling has been achieved, electronic commerce can be the next step to save resources and do business more efficiently

Electronic commerce transfers the buyer's and the seller's business information electronically to each other. This means that the buyer's and seller's business systems communicate directly with each other so that the receiver reads the information automatically into their system. Manual effort is significantly reduced, saving both time and money.

If the information sent is in accordance with a common flow, the process becomes even more efficient. GS1 Sweden, together with users from the retail sector, has developed a business process for electronic commerce for retail trade flows (ESAP 20). The business process describes what information companies must send to each other and how it will be sent.

ESAP 20 includes invoice and delivery notification. When the electronic despatch advice is used with correctly labelled outer packages and pallets, goods receipt can be made more effective. Upon delivery items can also easily be checked against the orders in the purchasing system, which simplifies reconciliation of the invoice. Read more about ESAP at **www.gs1.se/esap20**