



Authorised GS1 Bar Codes making a world of difference CASE STUDY



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GS1 AUSTRALIA & AROMADRIVE CASE STUDY

An innovative Australian business-woman found that having the right, authorised GS1 Bar Codes on your products can make a world of difference when dealing with one of Australia's biggest retailers.



The Idea

Have you ever wondered what chemicals are used in conventional car air fresheners? Well, Rachael Hahn did and was amazed to find that many contained potentially harmful chemicals.

Rachael, owner, operator and sales manager of Aromadrive Pty Ltd, wanted a safe, natural alternative. "Like many people I used fragrance in my car until I learnt that my car fragrance contained harmful chemicals. My friend's son seemed to get wheezy whenever he was in the car with me so I decided to do some research," she said.

"I was shocked to find that some car fragrances contained chemicals that are often used in cleaning products and insecticides. These ingredients are classified as harmful chemicals and have been known to irritate the skin, eye and respiratory functions. A lot of health-conscious parents are focused on the chemicals contained in food. If only they knew what chemicals their children were inhaling in the car! Instead of just complaining, I decided to do something about it. I developed a range of aromatherapy products for drivers."

Rachael began researching the market and identified that there were no car air fresheners that contained natural essential oils. After more research and product development, she was able to design and source exactly what the market was missing.

"The Aromadrive air fresheners are a healthy alternative which plug into a car's cigarette lighter socket to heat natural essential oil which then refreshes the air inside the car, reducing stress and increasing alertness. I started by producing 10 products and now I have 20 products in more than 350 stores across Australia," Rachael said.

To Market

With a product range ready to go, for Rachael the next hurdle was how to get it to market and who would be the first customer.

She was fortunate to have some guidance from a buyer at one of Australia's largest retailers. She began working her way through the processes involved in getting ready to trade with a major retail chain. Issues such as storage, distribution, electronic commerce, pack sizes, bar codes, a website and formal partnerships all had to be worked through in order to get her new products to market.

One of Rachael's early considerations was who would help her with distribution and storage. YSL Beaute Pty Ltd, a division of L'Oreal, was in a position to assist. Sean Walsh, Operations Manager, provided both space and advice to Rachael in getting her set up.

Knowing that Rachael needed to comply with the retailer's eCommerce requirements, he had to set up a mailbox to receive orders as well as be able to send an Advance Shipping Notice (ASN) back as well as applying a Serial Shipping Container Code (SSCC) to each delivery.

YSL already had a mailbox set up with GS1 Australia Alliance partner GXS, who could download eMessages into Paxar's Vendor Connect application, so adding a mailbox address for Aromadrive was fairly straightforward.

Early Problems

As a new entrant into retail, Rachael searched the Internet for bar codes for her products and found an online re-seller that reported their bar code numbers were legitimate and fit for use in retail. Buying these in good faith, Rachael applied them to her products and began using these numbers in her bar codes.

It wasn't until GXS began setting up her mailbox, that it became apparent that the numbers were not unique, nor able to be used in retail. Rachael contacted GS1 Australia's customer service team, who quickly identified that Rachael would not be able to use the bar code numbers that had been sold to her online as they were allocated to another organisation.

GS1 Australia's Services Group General Manager, John Hearn commented: "There is a real danger for companies seeking to obtain GS1 Bar Codes online. There are a number of misleading websites that infer they have been issued bar codes by GS1 Australia for resale in our market. This is just not true".

In order to maintain the integrity and control over GS1 numbers issued, GS1 Australia is the only organisation authorised by GS1 Global to allocate and administer GS1 Bar Code numbers in Australia. "Unfortunately in recent years I have found a number of innocent victims who have been misled into purchasing 93 bar codes online, thinking these were valid, unique bar codes for their use, only to find they were someone else's numbers, and suffering significant costs to relabel and reissue their products with valid 93 bar codes" he said.



To meet the deadline to get stock to the retailer and to set up the GXS mailbox correctly, Rachael joined GS1 Australia and obtained both her unique GS1 Bar Code numbers for product identification, and Global Location Number (GLN) to uniquely identify her organisation and for receiving EDI orders. GS1 Australia was also able to offer help desk support and free training on how to use and apply her bar code numbers and GLN.

The impact of having to change to registered bar codes can be significant to a supplier if they have already printed packaging or labels with these incorrect bar code numbers. The cost to reprint can run into thousands of dollars. The product owner then has to decide whether to re-print their product packaging or whether to apply a bar code sticker over the original bar code. Both options can involve considerable extra expense.

Further, where the bar code numbers have already been entered into systems by retailers, unaware of the potential duplication, they would need to delete the product and re-enter the new product information, including the new bar code number, in their computer system, with the risk of confusion in stores.

Once her products were re-bar coded, Rachael used GS1 Australia's Bar Code Testing Service to ensure her GS1 Bar Codes would scan correctly at point of sale. GS1 Australia tests more than 90,000 bar codes each year to ensure that products sent into major retailers scan correctly. GS1 Australia provides a printed report for each item tested to confirm the bar code on the product meets the GS1 standards. Rachael required several GS1 Australia Bar Code Verification Reports for Supercheap Auto, one of Australia's leading retailers of automotive parts and accessories.

Standards – seamless but ever present:

The use of standards is critical when dealing with major retail chains and an ever-increasing range of other retailers. Standards are used in setting up product information, receiving orders, sending goods to distribution centres and scanning at point of sale. They ensure each trade item can be uniquely identified, no numbers are duplicated and that the supply chain runs efficiently and smoothly. Everyone speaks the same language when standards are used.

Obtaining unique bar code numbers from GS1 Australia, the only authorised place in Australia to get a GS1 Bar Code number as well as a GLN, is the first step in the process. Once a business has its numbers, it can then assign them to each level of product so a retailer can order either a single item or by the carton.

The next logical step is to receive electronic messages for orders, acknowledgements and payments. In the case of Aromadrive, Rachael was fortunate to partner with an existing GS1 Australia member as well as a GS1 Australia Alliance Partner. YSL handle Aromadrive's inbound purchase orders and reply with an ASN. When stock is ready to be delivered, a logistics label is printed and applied to the delivery, thus linking the ASN and the delivery.

While there are some minor variations between some major retailers in both messaging and logistics labelling requirements, most third-party logistics providers and mailbox providers are able to make these differences transparent.

The Future

Now Rachael is fine-tuning her range, going through the new item introduction process and looking at new markets and retailers. With new products in the pipeline, it is highly likely that at some point she will need to consider data synchronisation. Many Australian retailers are looking at ways to streamline and improve the process of managing item master data through data synchronisation. For nearly 10 years, GS1 Australia has been working with industry on GS1net, a platform that allows information on products to be exchanged electronically, drastically reducing errors at point of entry and subsequent errors down the supply chain.

For businesses like Aromadrive, the many elements of eCommerce standards are something that happens in the background. Equipped with her GS1 Bar Codes, Rachael is confident now her products will scan every time. "I am set to expand my product range and now that I know how GS1 Bar Codes work, I can concentrate on getting my products on the retailer's shelf in time," she said.

About GS1 Australia

GS1 Australia is a neutral, not-for-profit organisation and the local affiliate and Member Organisation of GS1, a leading global organisation dedicated to the design and implementation of global standards in supply chains. Every day millions of businesses around the world conduct more than a billion transactions based on the GS1 System of standards. The GS1 System provides for accurate identification and communication of information about products, assets, services and locations. It is the most widely used supply chain standards system in the world. For more information on the GS1 System and how to get GS1 Bar Codes for your products contact GS1 Australia on 1300 366 033 or through our website www.gs1au.org