



Efficient Consumer Response Australasia

Carton Identification Guidelines

2012



one voice - adding value

ECR Australasia: Winning at the Shelf



Carton Identification Guidelines

These guidelines are supported by the retailer participants of ECRA Winning at the Shelf Carton ID Improvement Program:



.....and were compiled with the help of the supplier participants of the program:





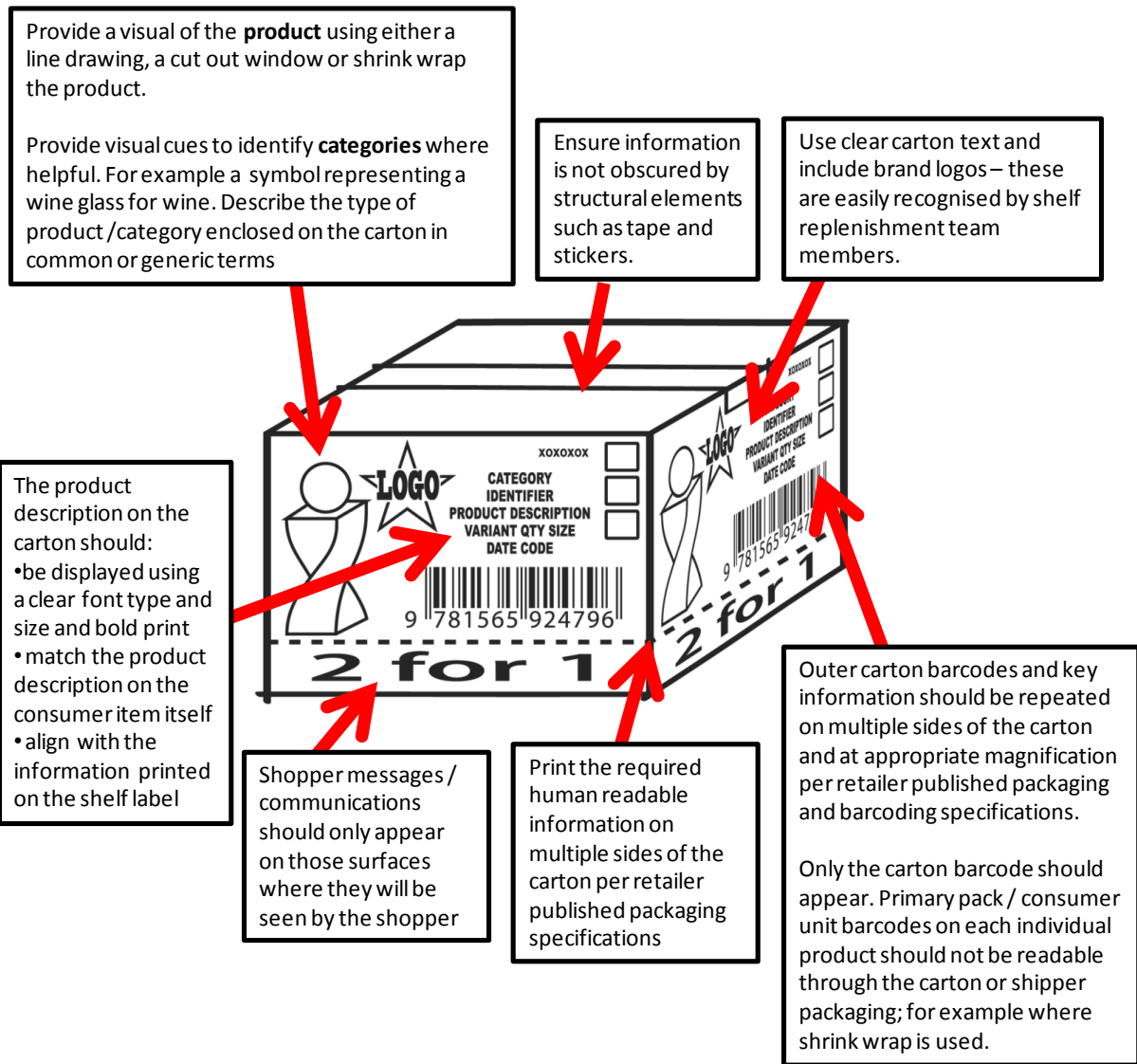
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Carton Identification Guidelines

Executive Summary

What A good job looks like



Carton Identification Guidelines

Introduction

Easy to identify (ID) is the first of the “Five Easies” highlighted in the Retail Ready Packaging Toolkit developed by ECR Australasia (ECRA) following similar work undertaken by ECR Europe previously. Similarly, this guide closely follows a comparable development by IGD (UK) for easy carton identification.

Easy identification assists in the choice of the correct product and rotation of stock through the supply chain with particular emphasis on distribution centre, back of store and shelf replenishment processes.

Carton packaging should clearly communicate what is inside and assist personnel to identify product in crowded and congested back/store rooms. This communication should be visible on multiple sides of the carton to maximise sight lines and identification. Shelf ready packaging should be easily identified as such.

The aim of this guide is to help all those concerned to produce cartons that are easy to identify to help products get on sale quickly and easily. (Note: This guide does not cover issues such as 'best before' dates, batch codes, country of origin, etc.)

The guide is relevant to all grocery retail categories. Note that the terms ‘carton’, ‘case’, ‘secondary packaging’, ‘shipper’ and ‘trading unit’ are used interchangeably.

Carton Identification Guidelines

Acknowledgement

ECRA would like to acknowledge the input of the following working group participants who contributed to these guidelines:

Company	Working Group Representative
Woolworths	Steve Pullen
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ECRA acknowledges IGD from whose original Easy ID Guidelines (www.igd.com/easyidguidelines) this document is adapted

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Carton Identification Guidelines

Call-to-Action

Making products easy for retail shelf replenishment team members to identify reduces wastage and increases sales. It's simple, if the carton disguises the product then more likely the product goes out of stock; it languishes in the storeroom, gets damaged or eventually has to be reduced-to-clear or otherwise disposed of.

Retail distribution centres and stores are very busy and hard working places where retailer personnel tend to work around problems locally rather than raising issues via head office. Consequently suppliers don't get regular feedback about products that are difficult to identify from information on the carton. Therefore stores under-perform in productivity, on-shelf availability and waste reduction, without the root cause being addressed. And suppliers under-perform their sales potential.

Winning at the Shelf

In early 2012 ECRA contracted Indeed Management Consultancy to undertake 'hands-on' research studies across a range of supermarkets in Sydney under a project titled *Winning at the Shelf*. The purpose was to understand the underlying causes of issues which preclude stock which is physically on the store premise being placed on show to shoppers in a timely fashion so as to avoid out of stocks.

Key learnings from the in-store studies described the difficulties faced by store personnel in identifying product in store rooms quickly and accurately such that items requiring replenishment to shelf could be isolated and actioned. An underlying factor was difficulty in identifying items due to the ways in which the information was presented on the various cartons/shippers handled in store.

Very few suppliers have tested how easy it is for retail shelf replenishment team members to identify their products from information on the carton. As a result many suppliers have little or no real idea whether their products are easy to identify or not.

This issue was recognised by the Board of ECRA as an area which would benefit retailers, suppliers and shoppers if addressed, but which required collaboration through developing appropriate standards, best practices and education vehicles. These guidelines have been developed to help address the issue.

ACTION: Work with your products in a retailer DC and store to find out if your cartons really are easy to identify.

Carton Identification Guidelines

Right Product to Right Place

Products fan out from the retailer's DC to the right stores, then from the back door to the aisles, to the right bay or module and finally to the right space in the display.



Supply chain stages in scope of these guidelines

At each of these stages information printed on the carton is used to match product with place. If the information is clear, retailer personnel will be able to very quickly determine “*Yes this is the right product and place*” or “*No this isn't the right product and place*”. If the information is unclear, they will say “*I can't tell if this is the right product and place*”

Shelf replenishment team members cut their losses when they are unable to quickly tell whether product and place match. The carton is set to one side – off-sale – and other easier-to-identify products get preferential treatment and go on-sale sooner.

Mismatching product and place causes delay, double handling and damage as cartons have to go back for redistribution and/or get mistakenly opened making the product more vulnerable.

Using a handheld device to read barcodes is not an option for retailer personnel at many stages of the supply chain journey. In stores, shelf replenishment team members need the right information in a form that is clear for them to easily read. The key information needed on cartons to get the right products to the right places differs from place to place along the supply chain as detailed on the following pages.

The chances of product and place matching are increased by segregating cartons by product types into different transit units (eg. aisle specific roll cages). But products do get mixed and some sorting is usually necessary. Shelf replenishment team members need to be able to easily confirm that cartons are collated in the right transit unit.

As store shelf replenishment team members home in on the right place to put a product the information they need becomes progressively more focused. The following sections, which break down the supply chain stages, include guidelines and examples illustrating carton information best practice.

Carton Identification Guidelines

From the DC to the right store

The flow of fast moving consumer goods is most highly concentrated at retail distribution centres. Huge volumes justify investments in hand held scanning devices, voice pick technology, bin location numbering, etc. Priority information at this stage includes the carton barcode.

Adhering to the guidelines below, improves the efficiency of stock movements from the distribution centres to the stores.

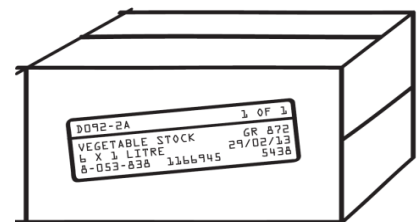
- Outer carton barcodes and key information should be repeated on multiple sides of the carton and at appropriate magnification per retailer published packaging and barcoding specifications.
- Only the carton barcode should appear. Primary pack/ consumer unit barcodes on each individual product should not be readable through the carton or shipper packaging; for example where shrink wrap is used.
- Ensure that the product description on the dispatch note (and labels if used) matches the description on the stores' system and holds all relevant information required to check stock in as the ECRA *Winning at the Shelf* study highlighted that often information on the carton is only shown in "supplier language".
- Warehouse tags with the retailer's code make it easier to identify and receive products, but need to be able to easily cross reference via handheld scanners. If tags not applied to dispatched items, retailer store scanning systems should be programmed to read carton barcodes



Label information on long side and short side of carton



No product barcodes visible through shrink wrap



DC Tag shows information in retailer language

NOTE: Additional information may be required for products sold through different channels or markets. Any such information is in addition to these guidelines

Carton Identification Guidelines



From the back door to the right aisle



Getting the right product to the right aisle in store is dependent on information on cartons being clear and simple for shelf replenishment team members to read.

Quite frankly, in many categories making it easy to identify product in storerooms is a critical factor in the shelf being replenished prior to an item going out of stock and sales being lost.

Adhering to the guidelines below, improves the efficiency of stock movements from the storeroom to the aisle.

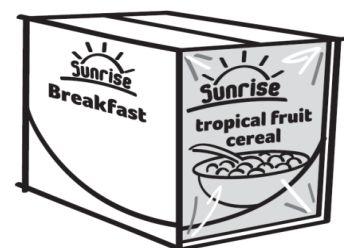
- Use clear carton text and include brand logos – these are easily recognised by shelf replenishment team members.
- Provide a visual of the product using either a line drawing, a cut out window or shrink wrap the product.
- Ensure information is not obscured by structural elements such as tape and stickers.
- Shopper messages / communications should only appear on those surfaces where they will be seen by the shopper.
- Print the required human readable information on multiple sides of the carton per retailer published packaging and barcoding specifications.



Store staff recognise brand logos when sorting products



Line drawing to illustrate product



Primary packaging visible through a window

Carton Identification Guidelines

To the right
module or bay

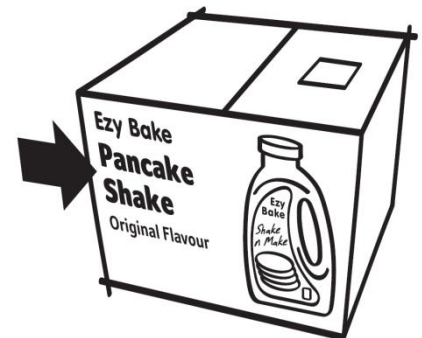
Time is wasted in the aisle trying to identify which products in the replenishment cages need to go to which categories or bays in the aisle. This can have an impact on out of stock items and may preclude all items being replenished during a replenishment task window.

Adhering to the guidelines below, improves the efficiency of stock movements within an aisle to the appropriate category.



Picture and print
highlight Category on
carton: Shower Gel

- Print the type of product enclosed on the carton in common or generic terms which are easy for shelf replenishment team members to understand (for example 'Coffee' rather than 'granulated' or 'indulgence')
- Provide visual cues to identify categories where helpful. For example a symbol representing a wine glass for wine, a razor for the shaving category, a cup or mug for coffee and tea, etc.
- Enable shelf replenishment team members to see the product through shrink wrap, a window cut-out or by printing a line drawing of the selling unit / primary product on short and long sides of the carton.



Clear definition of
Category printed on
carton: Pancake Shake

Carton Identification Guidelines



Time is wasted in the category trying to identify which particular products/SKUs need to go to which specific shelf locations within the planogram. If it is not clear, mistakes can be made and the wrong item replenished. This can cause extended out of stocks as products become 'hidden out of stocks'.

Adhering to the guidelines below improves the efficiency of stock movements within an aisle to the appropriate category and enhances on-shelf availability.

- The product description (name) on the carton should be displayed using a clear font type and size and bold print. Where confusion may arise between similarly named item variants, consider colour coding per consumer item pack colours.
- The product description (name) on the carton should match the product description on the consumer item itself.
- The product description (name) on the carton should align with the information printed on the shelf edge label (SEL).

NOTE: It is critical to have master data alignment across the total value chain!

Different retailers will have different constraints as to what information is able to be shown on their SEL's. To assist shelf replenishment team members ensure that the correct SKU is placed behind the corresponding SEL, manufactures should endeavor to provide descriptions on cartons and consumer item which can be meaningfully aligned to retailer SEL descriptor capability, then work with retailers to determine optimal descriptors for SELs to assist replenishment.

Retailer SEL descriptor capabilities are noted below for reference:

Woolworths	40 characters in total. Maximum 20characters per row x 2 rows.
Coles	50 characters in total. Maximum 25 characters per row x 2 rows.
Foodstuffs	40 characters in total. Maximum 20characters per row x 2 rows.
Progressive	40 characters in total. Maximum 20characters per row x 2 rows.

Carton Identification Guidelines

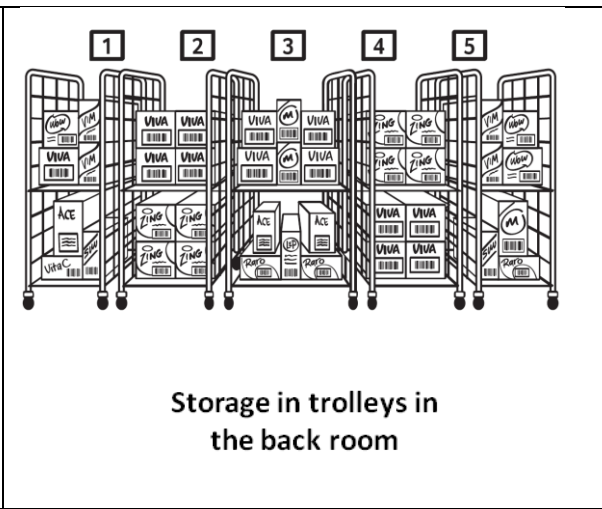
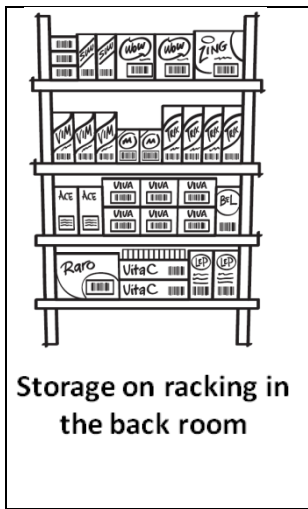


Retailers strive to reduce double handling but some deliveries arrive at store which will not fit in the space available on-shelf. These products need to be stored in their cartons in such a way that they can be easily identified when needed.

- Human readable product information should be repeated on multiple sides of the carton per retailer published packaging and barcoding specifications, noting that cartons may be stored in different orientations across various different methods of storage

For example:

- storage in the back room on racking,
- storage in trolleys,
- storage on capping shelves.



Carton Identification Guidelines

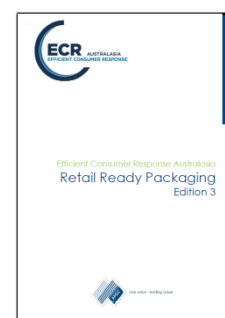
Reference Materials

In addition to these Carton Identification Guidelines, ECRA recommends the following reference materials which provide additional guidance to users:

- **ECRA Retail Ready Packaging Toolkit**

In response to the potential for a multiplication of shelf ready packaging standards within the Australian and New Zealand food and grocery industry ECRA has developed and updated an industry Toolkit.

The development of a set of common industry standards and guidelines aims to assist retailers, suppliers, wholesalers and packaging companies implement sustainable alternate packaging solutions. Through the toolkit, guidance is provided on how to look at the introduction of shelf ready packaging within organisations. It provides a framework for open dialogue, avoiding prescribed solutions or technical specifications.



[Click here](#) to access the ECRA RRP Toolkit.

- **GS1/ECRA Industry Guidelines for Barcoding and Numbering of Trade Items**

GS1 Australia and ECRA have partnered to develop comprehensive Industry Guidelines for Bar Coding and Numbering of Trade Items. A team of leading industry players participated in the documents development providing in depth knowledge and insight to enable the delivery of guidelines.

It is essential that all GS1 numbers and bar codes, which provide the fundamental information for trading processes within the grocery industry, meet the required standards to ensure a first scan every time. This guide will assist your business in delivering this imperative



[Click here](#) to access the Guidelines.

NOTE: This document includes packaging and barcoding guidelines appropriate to major Australian retailers.

