Case study: Point-of-sale efficiency for Fresh Foods
Korean hypermarket chain automates variable weight and count information with GS1 DataBar

Limited data creates inefficient inventory management of Fresh Foods

For variable measure fresh foods such as fruit, vegetables, meat, fish, weight and count information are important factors in enabling accurate sales forecasting and effective inventory management. As a result, efficiently managing this data is becoming critical for retailers and food suppliers.

The current 13-digit barcode used by retailers for most of their products, called EAN-13, includes only limited information and cannot include variable weights or counts.

In Korea, most retailers, and especially small and medium-sized companies, do not manage data concerning their variable measure fresh foods. Even when they do, the data is marked on products in human-readable formats, which means the process of verifying them cannot be automated.

Leading Korean hypermarket chain adopts GS1 DataBar

GS1 DataBar is a key solution to address these problems. A kind of linear barcode, GS1 DataBar can carry additional information adapted to the individual needs of the retailer and its supplier.

LOTTE Mart is Korea's third largest hypermarket chain. It has 221 stores in 4 countries: Korea, China, Indonesia and Vietnam.

LOTTE Mart became a market leader in adopting GS1 DataBar for variable measure fresh foods, using it as a tool to manage weight and count information. Before the adoption of GS1 DataBar, LOTTE Mart used EAN-13 barcode carrying just price information, and represented weight and count information in a human-readable text.

LOTTE Mart used as a data carrier GS1 DataBar Expanded Stacked and encoded weight or count information in addition to price. Thanks to the GS1 DataBar, LOTTE Mart could then automatically read this information at the retail point of sales and capture this in their systems.
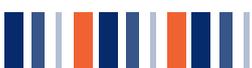
As of August 2011, LOTTE Mart started to apply GS1 DataBar to all stores.

Accurate sales forecasts and improved inventory management

This new system enabled accurate sales forecasting and improved inventory management. As a result, LOTTE Mart has seen greatly increased efficiency, accuracy and cost savings in the variable measure products supply chain.

Key learnings

Of course, there are a lot of challenges in technical and operational aspects.

For example, encoding additional data made the length of the Human Readable Interpretation (HRI) number too long. This caused delays at the checkout when cashiers had to key it into their system. To address this problem, an asterisk mark was placed under every fifth digit of the HRI to enable the cashier to key in the 20-digit or more number more easily. LOTTE Mart is looking at better solutions for this problem in cooperation with GS1 Korea.

> "GS1 DataBar's ability to provide automatic identification data on weight and count information offered us more visibility and accuracy in knowing what we are selling. This led to accurate sales forecasting and improved inventory management, and finally enhanced customer satisfaction by enabling us to provide fresher products."
>
> *Hong, Won-Sik*
> Director
> Innovation Division - LOTTE Mart

Based on their successful experience, GS1 Korea is planning to expand to more product categories and will move gradually to other retailers and food suppliers.

GS1 Solution for Fresh Foods

GS1 Fresh Foods Standards and Solutions enable unique product identification for variable measure fresh products, enabling a smarter, safer, fresher point-of-sale. Fresh Foods Application Standards, GTIN Allocation Rules and Implementation Guide for Fresh Food Products Sold at Point-of-Sale are available today. Together with GS1 DataBar symbols, GS1 members can enable traceability to the point-of-sale and create consumer safety solutions such as: Expiration Date Management and Automatic Markdowns at the Point-of-Sale.

Contact information:

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Interested in learning more about GS1 Solutions for Fresh Foods ? Contact your local GS1 Member Organisation: www.gs1.org/contact
or visit our website: www.gs1.org/barcodes/databar

With special thanks to:

LOTTE Mart   **GS1 Korea**