



# GS1 Architecture Group GTIN Allocation & Importers

*Issue 1, 5 December 2012*



## Document Summary

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## Log of Changes in Issue 1

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1	5 November 2012	Pere Rosell	Creation based on the agreements made by the Architecture Group.



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# 1. Background

## 1.1. Request for Findings

In September 2011, a Request for Finding was submitted to the GS1 Architecture Group by Andreas Fäßler (GS1 Germany). Suppliers of traditional and on-line retailers (such as Amazon) import the same products in parallel and issues can arise when these products are not assigned GTINs at source. The specific request for clarification was:

- Define the strategy how to handle GLN/GTIN allocation
  - concerning the first importer;
  - concerning the second and subsequent importers;
  - concerning provider of on-line platforms like Amazon.

See full text in [Appendix 1: Copy of the Request for Findings](#). This was supported by two additional documents (see [Appendix 2: Additional attachments to the Request for findings provided by the submitter](#) )

## 1.2. Formation of Sub Team

At the 29-30 September 2011 GS1 Architecture Team meeting a Sub Team was established to draft a recommendation for consideration by the full GS1 Architecture team (see full text in [Appendix 3: Extract of GS1 Architecture Team meeting report of 29-30 September 2011](#)).

After the Advisory Council meeting in January 2012 in Stockholm, the group was enhanced with additional experts.

### 1.2.1. Team members

- *Eugen Sehorz*                      *GS1 Austria*
- *Mike Sadiwnyk*                      *GS1 Canada*
- *Xavier Barras*                      *GS1 France*
- *Cassi Belazouz*                      *GS1 France*
- *Mercedes Schulze*                      *GS1 Germany*
- *Andreas Fäßler*                      *GS1 Germany*
- *Sean Lockheed*                      *GS1 Global Office*
- *Henri Barthel*                      *GS1 Global Office*
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- *Pere Rosell*                      *GS1 Spain*
- *Staffan Olsson*                      *GS1 Sweden*
- *Andrew Osborne*                      *GS1 UK*
- *Gary Lynch*                      *GS1 UK*
- *Bernie Hogan*                      *GS1 US*

### 1.3. Purpose of this document

The purpose of this document is to capture the recommendations of this sub team.

## 2. Request for findings

### 2.1. Problem statement

The fact that some items are not identified at source is creating internal debate within GS1 on how to allocate the GTINs to these items. It is common that the “same item” is sold by different importers/wholesalers, each of which might decide to use its own GS1 Company Prefix to allocate a GTIN to that item.

The question to answer is how a second importer or wholesaler of a given product would assign a GTIN: under what circumstances would GS1 accept re-using the same GTIN for the second importer/wholesaler and under what circumstances would GS1 recommend using different GTINs for the second and subsequent importers?

### 2.2. Recommendation on GTIN Allocation

The GS1 Standards are based on the fact that GS1 Keys are allocated by the brand owner/manufacturer. The best practice for non-branded is to encourage manufacturers to allocate the GTINs at the source. GS1 needs to:

- minimise situations where the GTINs are not allocated at source.
- find the sources of the importers/wholesalers and work with the local MOs to recruit the companies manufacturing the products.
- be pro-active in identifying the brand owner or the manufacturer of the items with GTINs not allocated at source.

There will still be a proportion of products with GTINs that have not been allocated at source, and this situation exists today. These may be GTINs allocated by importers/re-sellers and these GTINs are temporary.

### 2.3. Potential solutions for the temporary GTIN

Identification at source is the primary preference. There are different solutions to address the “temporary GTIN” needed for products not allocated a GTIN at source:

Solution 1: All the intermediaries use the same GTIN allocated by the first intermediary GS1 Global Company Prefix(GCP)

Solution 2: All the intermediaries use a different GTIN for the “same product”

Solution 3: Retailers assign a GTIN

Solution 4: Retailers assign an in-store code

Solution 5: GS1 MOs allocate the GTIN to the item

In any solution provided and defined by GS1 for temporary identification, there will be implications on different areas:

- Architectural
- Legal

- Technical
- Commercial/Business

The group has elaborated solution 5..

## 2.4. Solution 5: GS1 MOs allocate GTIN to the item

### 2.4.1. Description

The GTINs are individually assigned from a GS1 MO GCP and registered as one-off identifiers so there is no general assignment of a GCP with user self-assignment of GTINs. The GS1 Company Prefix points back to GS1 MO as the issuing authority. Retailers accept the fact that GTINs are assigned using a GS1 MO GCP.

The process is applied when the item is not identified at source, the process is excluding the manufacturer, the specification owner and the brand owner.

### 2.4.2. Assessment

It is aligned with the identified GS1 Architecture principles: Open supply chain, Non-significance, Simplicity and Consistency. The alignment of Solution 5 with the principle of “Demonstrable Business value” can only be checked at a later stage, after implementation.

From a commercial/business perspective, it addresses the concerns of the first importer and provides a common framework to allocate GTINs to some non-branded products. There is still a need to provide a fair commercial model and each MO will define the best approach for its market. The solution implies a compromise between quality and the cost and we need to determine if an acceptable balance exists.

From a legal perspective, there is a need to provide clarity in the contract between the MOs and their members regarding how the numbers are to be used.

The fact that the GCP belongs to an MO adds complexity to the operation of GS1 MOs. MOs take the responsibility to assign GTINs to trade items and maintain information about them. GS1 (MOs) needs to build a service/infrastructure to support the approach detailed in solution 5.

The subteam identified the cost components to build a service/infrastructure to support solution 5. However, the detailed cost analysis is not part of the sub-team work.

Functionalities identified for the service/infrastructure are:

#### Functionalities

- Accurate GTIN assignment by MOs to items and not to companies.
- A defined set of attributes to describe the items.
- Pattern recognition to be performed on submitted pictures.
- Some capacity to search or match against earlier GTIN assignments.
- Interoperability with other MOs, if needed (enhancing GEPIR functionalities could be an option).
- Scalability.
- On-going confirmation of GTIN validity, e.g., trade item is actively sold and not obsolete.

### 2.4.3. Recommendations

Solution 5 technically meets the industry requirements and solves most of the problems of the other 4 solutions. There is a need to understand the feasibility of solution 5:

- Assess that solution 5 meets their requirements
- Determine whether a GS1 MO can determine whether two seemingly same products indeed are the identical and could be identified with the same code.
- Establish if there is a viable commercial strategy for GS1 where the value is greater than the cost.

## 3. Recommendations

The recommendations from the Architecture Group are:

**Recommendation 1:** Confirm that identification at source is the best practice

**Recommendation 2:** Transfer the proposal to explore whether a service for solution 5 is applicable to Industry Engagement (IE). If deemed worthwhile, IE should consult the eTailers / Importers / Suppliers / GS1 MOs communities to confirm that the solution(s) decided meet(s) their business requirements:

- Make a detailed feasibility study of solution 5.
- Benchmark the results of the feasibility study with solutions 1 and 2.
- There is also an opportunity for GS1 to provide a service facilitating the assignment of serial numbers not assigned at source by the company assigning the GTIN.

**Recommendation 3:** There is a need for clarity in the General Specifications. Make a WR to update the wording in the General Specifications to provide more clarity and avoid different interpretations of:

- When an item is considered a different item
- Allocation of GTINs when the GTIN is not allocated at source
- Re-allocation of GS1 Keys. Define the validity of the GS1 Key and when it will be re-assigned. Agreement on common GS1 Key re-assignment rules.

**Recommendation 4:** GS1 GO should remind and provide guidance to GS1 MOs on how to frame contracts with their members.

## 4. Appendix 1: Copy of the Request for Findings

### Instructions for Submitter:

1. Please complete the following fields:

- *Request for Finding Brief Summary, Submitter Name, Submitter Company, Submitter e-Mail, Submitter Telephone, Statement of Question or Concern, Relevant GS1 Standards or Other GS1 System Components*

2. After completing all required fields, e-mail this form to the Architecture Group at: [gs1ag@community.gs1.org](mailto:gs1ag@community.gs1.org).

The **Architecture Group** will complete the following fields:

- *Request #, Date Submitted, Date Accepted for Consideration, Date Completed*

If the Architecture Group accepts the submission for consideration, it will separately publish an Architecture Finding in response.

### Request for Finding – Brief Summary (one phrase or sentence)

GLN/GTIN allocation when importers supply in parallel to on-line retail platforms.

<b>Submitter Name</b>	<b>Dr. Andreas Füßler</b>
<b>Submitter Company</b>	<b>GS1 Germany GmbH</b>
<b>GS1 Member Organization of submitter (if known)</b>	
<b>Submitter e-Mail</b>	<b>fuessler@gs1-germany.de</b>
<b>Submitter Telephone</b>	<b>0049 (221) 94714-224</b>

### Statement of Question or Concern (please be specific as to what you want answered)

Suppliers of traditional and on-line retailers (such as Amazon) import the same products in parallel without being source coded.

Define the strategy how to handle GLN/GTIN allocation

- concerning the first importer;
- concerning the second and subsequent importers;
- concerning provider of on-line platforms like Amazon.

The enclosed experience report addresses the scenario in which intermediaries such as wholesalers, importers or resellers take responsibility for identification of trade items.

**See Attachment A1.**



**Relevant GS1 Standards or other GS1 System Components (omit if unsure)**

The potential way forward could be changing the last bullet point in the GS1 General Specifications in chapter: **4.3.1.2.2. Allocation and Responsibility Exceptions and Non-Branded Items**

**See Attachment A2.**

To be filled in by Architecture Group			
Request #	Date Submitted	Date Accepted for Consideration	Date Completed
XX-XXX	YYYY-MM-DD		
Link to Architecture Finding			

## 5. Appendix 2: Additional attachments to the Request for findings provided by the submitter

Attachment1: Experience Report on GTIN Allocation by Supply Chain Intermediaries



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uest\_for\_Findings\_At

Attachment2: Existing and proposed wording for General Specifications



2011-09-21\_AG\_Req  
uest\_for\_Findings\_At

## 6. Appendix 3: Extract of GS1 Architecture Team meeting report of 29-30 September 2011

### 7. Request for finding

Discussions	Decisions	Actions
Andreas provided detailed background information on the recently submitted request for finding aimed at clarifying the allocation and use of GS1 identification numbers for identical products not identified at source and imported by multiple companies.	The AG decided to create a sub team to develop a response to the finding request	<b>Pere</b> to lead a sub team tasked to develop a response to the request for finding. Sean, Andrew, Andreas, Staffan, Eugen and Xavier volunteered to participate.

(end)