



(RSS) Reduced Space Symbology Overview



Produce & Variable Measure Products



Perishables Today

- Meat, Produce, Deli, Bakery, Seafood, Dairy account for over 50% of store sales.
- High profit but high shrink



Challenges

- Supplier specific data
- Out of stock anticipation
- Vendor Managed Inventory (VMI)
- Shrink from incorrect key entry of PLU's
- Ability to stop the sale of out dated or recalled product
- Country of origin labeling
- The current U.P.C. (U.P.C. Prefix 2) coding structure for variable measure product is inadequate



What's Missing in Fresh Foods

- Supplier Identification
- Unique Item Identification
- Exact Weight
- Expanded Price Field
- Expiration Date
- Traceability
- ***Category Management – improve business visibility***



Produce

- Encodes a Global Trade Item Number (GTIN)
- Full & accurate Product Identification of loose items





GTIN for Produce

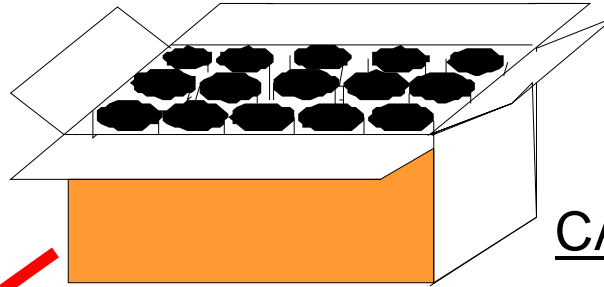
- GTIN =
 - Manufacturers U.P.C. Prefix + Item Number
- Item Number = suppliers unique number

Fixed Content Cases - Not Variable Measure

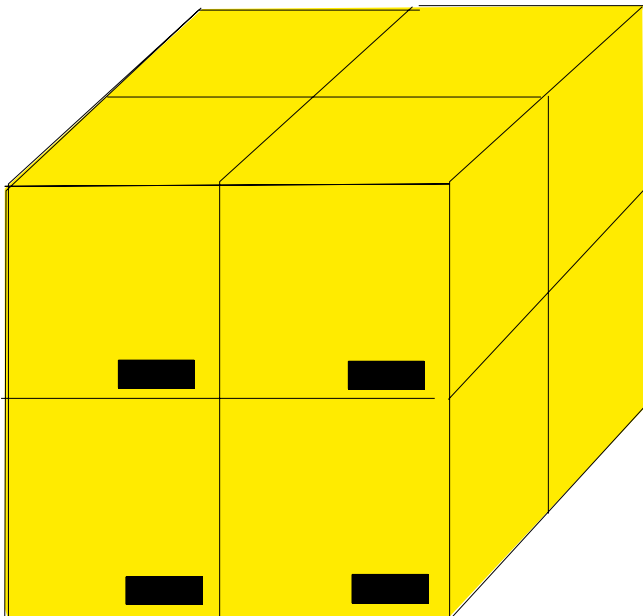


ITEM

00 614141 04174 9



CASE of 54 Gala apples
= (01) 10 614141 04174 7



PALLET

8 CASES

= (01) 30 61414104174 3

RSS Expanded Traceability Opportunity Case to POS

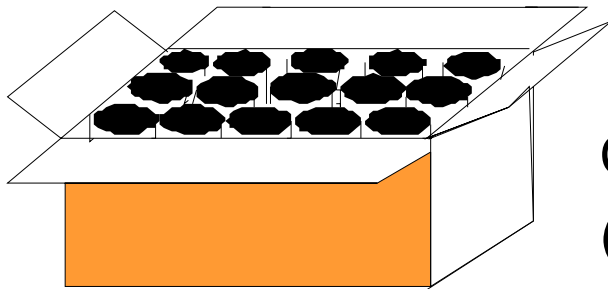
GTIN captured & stored
in POS system

90 6 14141 23456 7



Item

(01) 9 0 614141 23456 7 - GTIN
(10) 0235 - Batch #
(3202) 0150 - Package Weight



Case of Primal Cuts

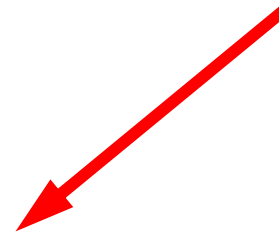
(01) 1 0 614141 33333 9 - GTIN
(10) 3334568 - Lot #
(3202) 6550 - Weight

RSS Expanded Traceability Opportunity

Customer

Frequent Shopper Card

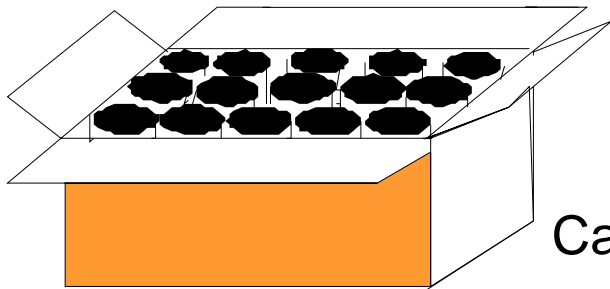
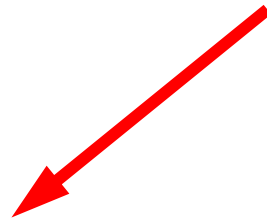
4 01234 56789 2



Item

(01) 9 0 614141 23456 7 - GTIN

(10) 0235 - Batch / Lot #



Case of Primal Cuts

= (01) 1 0 614141 33333 9 - GTIN

(10) 3334568 - Lot #



System Implications

- Scales at POS - No change
 - Scanners – RSS capable since November 2002
 - POS Software - Upgraded to capture 14-digit data structure & Application Identifiers (AI's)
 - Need to add records for GTIN
- ➔ Produce departments with scales, need to be upgraded for RSS and application identifiers



RSS Provides

- Out of Stock Anticipation
- Shrink control
- Product rotation knowledge
- Consumer confidence
- CPFR & VMI
- Category Management
- Measurement of Promotions
- Country of origin
- Link to Data Synchronization



Reduced Space Symbology

- Expands the business functionalities of the center store to the perimeter
- Enabler for new dollar opportunities within perishable departments



Dollar Opportunity from RSS

- Question is not -
“How many dollars can “Retailer A” save with RSS?”

- Question is -
“How much dollar opportunity can “Retailer A” stand to realize with RSS?”



Dollar Opportunities

- Accurate data = improved:
 - Category reviews
 - Supplier business reviews
 - Measurement of promotions
 - Inventory / Out of stocks
 - Identification of shrink
- Elimination of line pricing



**How much dollar opportunity can
“Retailer A” stand to realize with
RSS?**

**\$46,000 per store
within
6 months**



Cost/Benefit Analysis

“Key Findings”

- \$2.3M Savings per year in Meat and \$2.3M Produce savings in per 100 store chain.
 - \$46,000 / store

() November 2001 report “Quantifying the Costs and Benefits of RSS in Perishables” by the Perishables Group*



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