



Satisfying Consumer Demand for Frictionless Commerce

Delivering Trusted Accurate Product Information with GS1 Standards



An Interview with Bob Carpenter
President and Chief Executive Officer, GS1 US
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Sgsco recently sat down with GS1 US President & CEO, Bob Carpenter, to ask him his thoughts on the role GS1 US plays in today's retail Moment of Sale™.

Q. Online shopping is now just as popular as in store. How has the generational divide impacted the unified shopping experience? And how has the GS1 System of Standards adapted to support the explosion of e-commerce and the endless aisle?

A: According to KPMG's 2014 Rise and Fall of Brands¹ report, consumer buying behaviors are generational: "my grandmother bought on availability, my mother bought brand names, and my daughter buys on attributes." Today's digital-savvy generations have an insatiable hunger for rich product information to inform their purchase decisions. Unfortunately, much of the currently available digital information is inaccurate or unreliable, which creates a poor user experience and low conversion rates, ultimately negatively impacting brand loyalty.

This offers a tremendous opportunity for brands, retailers and e-tailers to distinguish themselves as consumer-centric by exceeding expectations for online product content. Many retailers and brands are stepping up their ability to provide the detailed, accurate digital product information consumers require. To create competitive end-to-end shopping experiences, these companies are leveraging global standards to make it easy for consumers to discover and purchase products, whenever and wherever they are.

GS1 US collaborates with cross industry organizations to create standards, guidelines and best practice implementation tools to help optimize automated image and attribute sharing and get products online faster for a frictionless searching, discovery and shopping experience.

Q. According to eMarketer², the mobile device is currently one of the largest drivers to online sales. The gap between in-store and online commerce is shrinking; more than 30% of U.S. retail sales are mobile-influenced. However, no matter the channel they shop, even the tech-savviest shoppers are still finding untrustworthy product information through mobile barcode scans and web searches. How is GS1 US collaborating with industry to solve this data quality issue?

A: Brands and retailers are increasingly turning to standards to evolve their business operations to suit customers' needs. Global GS1 Standards assist companies with providing more accurate product information; examples of how, include:

1. Standards, such as the GS1 Global Trade Item Number® (GTIN®)—the numbers contained in a U.P.C. barcode that globally and uniquely identify trade items in the supply chain—can provide an important bridge between digital listings and physical product to ensure the better search and discovery of products.
2. Standardized product attributes that describe what consumers are looking for—eliminating the need for costly rework of manual processes and reducing confusion among trading partners—are contained in the GS1 Global Data Dictionary (GDD).

A recent Google study³ reported that more than 84% of consumers use their smartphones while shopping in retail stores. Consumers want complete, trusted and accurate information; and in this increasingly connected world, they want to find it quickly on their smartphones. Interactive physical packaging could soon become the dominant way manufacturers and retailers push dynamic and useful content directly to consumers. New enablers, such as GS1 US Mobile Scan and SmartLabel™, allow consumers to see data and digital content directly from the brand.

A GS1 US Mobile Scan-enabled package contains the same GTIN® data currently carried in a product's U.P.C. barcode. An imperceptible barcode, which is printed on all surfaces of the package, can easily be scanned by consumers via their smartphone—helping brands and retailers deliver a robust, dynamic set of product information to consumers, including, but not limited to: coupons, instructional videos, how-to guidance, etc. This kind of consumer engagement presents an opportunity for both brands and retailers to become helpful allies in supporting consumer goals—increasing consumer confidence and sales.

Furthermore, there are increasing numbers of consumer packaged goods (CPG) brand owners adopting SmartLabel technology to provide transparency to consumers. The program, started in December 2015, gives consumers detailed information about products via a QR scan or by visiting a SmartLabel web page.

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Q. Today, approximately 4 million+ products⁴ are added monthly to Amazon.com. How do GS1 Standards support the digital shelf—Walmart, eBay, Google Shopping and others?

A: In 2013, Amazon⁵ reported that it will require products manufactured and sold to consumers to carry a unique product identifier, such as the GTIN. “Additionally, in 2014, eBay, Google and Walmart endorsed the [GS1 US GTIN Validation Guide](#), which resolves incorrect and duplicate product information online. The GTIN Validation Guide offers best practices for leveraging GS1 Standards to enhance the consumer shopping experience, while boosting e-tailer efficiency, revenue and loyalty. It supports extending GTINs online to help ensure more accurate and consistent product identification and descriptions that link to images and promotions, including coupons.

In 2015, Google Shopping⁶ began requiring GTINs for a select group of products from a list of 50 brands. Then in February 2016, their GTIN requirements [expanded to include all products](#) with a manufacturer assigned GTIN.

Leveraging standards, brands and marketplaces of all types can help provide consumers with a single source of the product information truth. Using a standardized approach for listing and classifying products across all commercial platforms—as opposed to using proprietary data exchange systems—allows consumers to discover more accurate product information on any device. GS1 Standards enable trading partners to speak the same language by providing complete product identification, automated data capture and an organized way to share information.

Q. What results are online marketplaces seeing when they use a GS1 GTIN®?

A: A recent Google study⁷ shows that Brands submitting well-formatted product images, details and descriptions to Google Manufacturer Center can boost sales of those products by as much as 25%. Further, merchants, who added correct GS1 GTINs to their product data, have seen conversion rates increase up to 20%.

Q. How Does Product Transparency Drive Sales?

A: In a recent Label Insight⁸ survey, 94% of respondents indicated they are likely to be loyal to a brand that offers complete product information. And 81% of consumers said they would consider a brand's entire range of products if they switched to that brand as a result of increased transparency. According to IRI research⁹, retailers that embrace transparency have the opportunity to grow sales up to 25% faster.

With such strong indications of what their customers truly want, manufacturers and retailers are not only prioritizing the efficient exchange of accurate data, but also exploring the ideal channel to deliver it.

Add to that regulatory concerns, such as GMO labeling and changes to the Nutrition Facts panel, and we will see more manufacturers and retailers prioritizing standardized data sharing business processes as well as new smart packaging platforms.

Q. As we look to a world where brands can no longer rely on connecting at the point of sale, and must ensure they are consistent and present to convert consumer desire to action at every possible Moment of Sale™¹⁰, what role does GS1 US play in today's omni-channel world?

A: GS1 US, a member of GS1 global, is a not-for-profit information standards organization that facilitates industry collaboration to improve business visibility and efficiency through the use of GS1 Standards, the most widely-used supply chain standards system in the world. Five million barcodes are scanned each day, and for more than 40 years, the GTIN has served an important purpose in physical store settings, speeding check-out through unique product identification. Today, the GTIN similarly helps online marketplaces and retailers understand exactly what is being sold—helping them increase that product's visibility by creating better consumer targeting across search and discovery.

With more than 2 million member companies, brands and retailers are increasingly turning to GS1 Standards to evolve their business operations to suit their customers' needs. Standards, such as the GTIN, provide an important bridge between digital listings and the physical product to ensure better search and discovery. Additionally, GS1 US is collaborating with industry experts to better define and standardize product attributes that drive consumer purchase decisions.

In-store, Online, or Both, with GS1 Standards, [It's Just Commerce®](#).

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Works Cited

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