

# Voluntary Guidelines for

# FLOOR-READY MERCHANDISE

## 2.0 Retail Price Marking

2<sup>nd</sup> Edition

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## Revision Summary

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15-Sep-06	All	All	2nd Edition published.

## 2.0 Retail Price Marking

### 2.1 Introduction

#### 2.1.1 Objective

The objective of Retail Price Marking guidelines for floor-ready merchandise is to provide uniform methods of conveying retail price information to the consumer. These methods may include product marking, shelf marking, or signing. When product marking has been agreed upon, this guideline should be used in conjunction with the *GS1 Us Apparel Guidelines: Format & Symbol Placement*. (Please refer to 2.99 Appendix for document resource references.)

#### 2.1.2 Overview

The technologies available to be used for customer service, product tracking, and pricing accuracy require product identification to be U.P.C. bar coded. This U.P.C. bar code can be scanned and the item price obtained from computer price files, commonly referred to as price look-up (PLU). In addition, as a service to the consumer or as required by law, there is sometimes a need for certain consumer products to be individually marked with the retail price. This guideline provides direction and implementation considerations for price marking products. Additionally, this guideline describes the use of EDI transactions to communicate retail price information, which should minimize the complexity for both the retailer and the supplier.

#### 2.1.3 Important Considerations

- ◆ Determine whether the merchandise is product marked, shelf marked, or signed.
- ◆ When product marking applies, establish which trading partner will mark the merchandise.
- ◆ If the supplier elects to price mark, the appropriate EDI documents should be selected to communicate the retail price.
- ◆ Reach a mutual understanding of the time requirements for both data exchange and the marking process.

#### 2.1.4 Benefits

Utilizing these price marking guidelines may enable retailers and their suppliers to reduce the time and cost required to move product to the retail selling floor.

## 2.2 Prerequisites for Retail Price Marking

These guidelines assume that merchandise is marked in a manner consistent with the *GS1 US Apparel Guidelines: Format & Symbol Placement*. When product price marking applies, the price appears in Zone 6. Section III, Zone 6 Requirements, references material in this guideline.

When the trading partners agree that the supplier will apply the retail price, it is strongly recommended that the retailer communicate the retail price using EDI documents that comply with the VICS EDI standards. These standards are published in the *VICS Retail Industry Conventions and Implementation Guidelines for Electronic Data Interchange*.

## 2.3 Zone 6 Requirements

### 2.3.1 General Guidelines

Zone 6 of the merchandise, identification, information zones is defined as space reserved for retail item pricing. Zone 6 may be actual space on tickets or reserve space on boxes or packages. The *U.P.C. Marking Guidelines for General Merchandise and Apparel* designates the space with a minimum dimension of 1" high by 1.25" wide.

Zone 6 should contain human readable consumer price only, in one of three formats with field sizes as shown below:

Format	Maximum Field Size
\$9,999.99	9 characters
13 for \$99.99	13 characters
13 for \$99.99	13 characters

If the retailer and the supplier agree that the supplier will place the retail price in Zone 6, the supplier will have the responsibility of determining the print style and size for the price. However, if the retailer supplies price stickers, directly or through a third party, the retailer will be responsible for determining the print style and size.

The guidelines recognize that legibility of the price information in Zone 6 is of primary importance. Thus, a 10-point, bold font is recommended.

Retail price may be applied by one of two methods: directly to Zone 6 or with an adhesive price sticker placed within Zone 6. All of the general guidelines mentioned previously in this section apply to both of these methods.

### 2.3.2 Additional Guidelines for Direct Print onto Zone 6

Direct application of retail price to Zone 6 on the product's hang tag, box, or package usually occurs during the manufacturing or finishing process.

When the retail price is printed directly on to Zone 6, the print should be black, or it may be the same color as the other printing on the information zones.

### 2.3.4 Additional Guidelines for Application of Adhesive Price Sticker on Zone 6

It is anticipated that the application of an adhesive retail price sticker will occur uniquely for each retailer after the merchandise is manufactured and finished.

The trading partner assuming responsibility for the printing or acquisition of these price stickers shall be responsible for the sticker stock conforming to the following guidelines:

- ◆ The sticker must fit within Zone 6 space (consider 3/4" by 1" wide).
- ◆ The sticker must accommodate the price format (9 or 13 characters) and the prescribed font style and size.
- ◆ The sticker must be white.
- ◆ All price information on the sticker will be printed in black.
- ◆ The sticker shall be non-removable after the adhesive is properly set.

## 2.4 Methods of Communicating Retail Price

If the trading partners determine that the supplier will apply the retail price, it is recommended that the retail price be communicated electronically. The details of how the price is communicated are contained in the *VICS Retail Industry Conventions and Implementation Guidelines for Electronic Data Interchange*.

It is important trading partners fully understand the timing involved in the ticketing process to determine when it is necessary to supply the retail price or appropriate to modify the price. In general, the retail price must be known before the earliest time the price can be applied. In some cases, where an adhesive sticker is applied as part of the packing process, this may be a few days before the ship date. If the price is printed on the product label during manufacturing, it must be known when the manufacturing order is issued.

Caution must be used by trading partners when selecting which transaction set(s) to use in order to optimize the timely flow of information while minimizing the risk of creating errors in assigning retail price. Refer to version 5030 of the *VICS Retail Industry Conventions and Implementation Guidelines for Electronic Data Interchange* for the most current set of conventions. Guidelines are updated and issued annually by GS1 US.

With the exception of the Price/Sales Catalog (VICS 832 Transaction Set) and Purchase Order Change (VICS 860 Transaction Set), retail price is communicated in conjunction with other information

that the trading partners have already agreed to exchange. Depending on the situation, the retail price may be specified at the product ID (PID) level or the U.P.C. level. It is not foreseen that a purchase order would be sent to communicate price unless the purchase order was being sent by the retailer to place an order with the supplier.

### 2.4.1 Purchase Order (VICS 850 Transaction Set)

The Purchase Order is used by the retailer to communicate retail price to a supplier for a specific item for that specific order. This format may be used, as well, where the trading partners are using blanket purchase orders followed by release purchase orders. The trading partners determine which purchase order, blanket or release, carries the retail price. When the purchase order is used to communicate retail price, and the retail price is not specified on either a blanket or release purchase order, this indicates the supplier is not to apply retail price marking.

### 2.4.2 Purchase Order Change (VICS 860 Transaction Set)

To communicate a change of retail price on a previously transmitted purchase order, the retailer uses the Purchase Order Change.

### 2.4.3 Price/Sales Catalog (VICS 832 Transaction Set)

The Price/Sales Catalog may be used by the retailer to communicate the retail, selling price in effect for an item when trading partners agree that the supplier will apply retail price to the merchandise before shipment. Typically, this transaction is used when the retail, selling price is not communicated on each purchase order or in vendor-managed replenishment programs when the supplier is generating the order.

- ◆ The use of this transaction requires the supplier to maintain a database of the retailer's price data in order to apply the correct retail price to the product before shipment. Pricing may be communicated:
  - ◆ at the product ID (PID) or U.P.C. level,
  - ◆ by location or market area, and
  - ◆ by effective ship date.
- ◆ Prices communicated by using this transaction are not associated with a specific purchase order, but may be over-ridden by a retail selling price transmitted on a purchase order.
- ◆ Trading partners should agree when a confirmation of retail selling price information is required:
  - ◆ In vendor-managed replenishment programs, it is recommended that the supplier confirm the retail, selling price in the Purchase Order Acknowledgment (VICS 855 Transaction Set.)
  - ◆ Trading partners should determine in advance how notification will occur when the price changes cannot be applied as transmitted by the retailer.
- ◆ Trading partners should consider how the use of this transaction impacts order fulfillment, such as quick response or pack and hold orders.
- ◆ A supplier may use this transaction to confirm existing retail price information to the retailer.

#### 2.4.4 Purchase Order Acknowledgment (VICS 855 Transaction Set)

The Purchase Order Acknowledgment may be used by the supplier to advise a retailer of retail prices assigned to items on a specific purchase order that was generated in the supplier's system.

#### 2.4.5 Ship Notice/Manifest (VICS 856 Transaction Set)

The Ship Notice/Manifest may be used by the supplier to advise a retailer when a specific item or carton does not conform to the retail price-marking request.

### 2.5 Discussion Checklist

This checklist is intended to help facilitate a smooth implementation of Floor-Ready Merchandise agreements and minimize on-going problems. Consideration of both the supplier's and retailer's needs is required in order to ensure mutual success. These topics should be discussed:

- ◆ Determine which products, if any, require retail price marking.

Not all products require a retail price on each unit. For example, a suggested retail may already be on the product or the retailer may communicate the price to the consumer in some other manner. For example: shelf marking, signing, catalog, sales associate knowledge, etc.

Be aware that certain states are currently requiring that a retail price be affixed to all products.

Retailers may request the retail price on some products from a supplier and not on others. Each situation should be considered separately.

Consideration should be given to the efficiency of not applying a retail price, balanced against customer service issues.

- ◆ Determine which trading partner will apply retail price to U.P.C. tickets.

Price marking by the supplier is not always the most efficient method. The most efficient method of retail price marking should be established by trading partners.

**The remainder of the checklist only applies if the supplier elects to apply the retail price to the U.P.C. tickets.**

- ◆ Determine the appearance of the price on the ticket.

The trading partners should adhere to the standard format for the U.P.C. ticket price as described in Section III, Zone 6 Requirements. Deviation from a standard format may add complexity to the ticketing process for the supplier.

- ◆ Determine how the retail price will be communicated.

The type of documents used to communicate the retail price should be agreed upon by both trading partners before implementation of Floor-Ready Merchandise.

When the supplier manages the replenishment program, the trading partners need to agree on a process for establishing retail price without using the Purchase Order (VICS 850 Transaction Set) as the communication vehicle. Establish a plan to maintain accurate and consistent price data in both the retail and supplier systems.

- ◆ Determine what forms of validation should be considered if price is maintained via tables rather than communicated with each order.
- ◆ Determine timing of data exchange.

Timeliness of data exchanges should be agreed upon well before the anticipated delivery of goods. Agree on the timeframes during which price communication will occur. Both trading partners must identify any affect that floor-ready processes may have on the timing in the movement of merchandise.

- ◆ Determine how price changes will be handled.

Both trading partners should consider the impact of price changes. If price changes are necessary, establish the timeframes during which changes can occur. Consideration must be given to merchandise that is prepared far in advance of delivery. All price changes must be communicated before the retail price being applied to the ticket.

Consideration must be given to a process to verify that the supplier has received price changes and applied them correctly.

- ◆ Determine how errors will be handled.

Determine how to handle the exceptions that occur when service has not been performed as requested. Agree on a process for resolving the problems that arise when mistakes occur.

- ◆ Decide on retail price cutover dates (regular, seasonal, special event).

Plan the change so that no products are missed in the marking process. Be sure there are no orders in process that are not price marked by either trading partner. The plan should be communicated to all people in both organizations that are affected by the change.

## 2.99 Appendix

These documents have been referenced in the text above:

*VICS Retail Industry Conventions and Implementation Guidelines for Electronic Data Interchange*

*GS1 General Specification Guideline*

*GS1 Apparel Guidelines: Format & Symbol Placement*

*UCC/EAN-128 Serial Container Marking Guideline*

*GS1 US Business Processes Guidelines for Electronic Data Interchange*

*VICS EDI 856 Ship Notice/Manifest Guideline*

All of these documents are available from:

GS1 US  
7887 Washington Village Drive, Suite 300  
Dayton, OH 45459  
(937) 435-3870  
[www.gs1us.org](http://www.gs1us.org)