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BARCODES EXPLAINED: JUST ASK THE BARCODE GURU

A Guide to Understanding Your Barcode Needs

Erik Quisling | The Barcode Guru | Buyabarcodes.com



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Thank you for downloading this ebook. I hope this provides a helpful resource to you in understanding why and what barcodes you need to make your product launch a huge success. You can stay current with my blog at Buyabarcodes.com where I offer useful tips for product manufacturers, large and small.



About Buyabarcodes.com

In 1999, Erik Quisling, the owner of a successful CD duplication and packaging company, decided to figure out a better way to obtain legitimate, authentic barcodes in small quantities without going through the hassle and expense of buying direct from GS1.

He founded Buyabarcodes.com on the principle that small business owners and product innovators, after pouring every ounce of their savings and physical and mental stamina into creating something new to share with the world, shouldn't need to then spend hundreds more dollars on annual and renewal fees just to get a single barcode.

Today, Buyabarcodes.com is the world's largest and most trusted resource for legitimate barcodes. Buyabarcodes.com is the ONLY providers featured in both The Wall Street Journal and The Washington Post as the preferred provider to small businesses. Buyabarcodes.com removes the margin for error and offers a 120% MONEY BACK GUARANTEE on all the barcodes it sells. Don't risk losing your hard-earned money by purchasing invalid barcodes from cheap bootleggers.





WHAT IS A BARCODE?

Every day I am very fortunate to speak with excited entrepreneurs who can hardly wait to introduce the world to their brand new product. From selling T-shirts and CDs to fishing lures and wine, entrepreneurs all come to me with the same set of questions:

What is a barcode?

How do barcodes work?

How many barcodes do I need?

The list goes on and on.

To this day, it never ceases to amaze me just how many misconceptions still exist around barcodes. With this guide, I hope to clarify the entire process for you, once and for all.

Let's start with the first question: What is a Barcode?

A barcode is a unique, 12-digit number that nobody else in the world has. The black lines of a barcode are merely a special font, called the UPC-A font, which correlates exactly to the numbers lying directly beneath them. Think of it as a social

security number for each one of your products. Even though many think there are conspiracy theories attached to these barcodes, there is no hidden information stored or encrypted into a barcode. For example, to create a barcode, you simply set your font style to UPC-A, type in your barcode number and up pops the black lines. The UPC font is used because computer scanners, especially older ones, have a much easier time reading straight black lines than they do reading curvy numbers. This UPC font is also the reason why you often hear barcodes referred to as UPC codes or just UPC's.

How does it work?

Stores use barcodes in conjunction with their inventory management system to help keep track of how much of a product they may have on their shelves at any given time. Thanks to the barcode system, a manual shelf

count is no longer needed. The store can simply type a barcode number into their computer to find out what has been sold and what they need to re-stock.





Setting up your barcode inside of a store is also very easy and it works the same way for every store – from Amazon.com to Best Buy.

For example, when you sell your product at a retailer (i.e. Best Buy or Amazon.com), that retailer will have you fill out a product information form. On that form, you will put your company and product details as well as your 12-digit UPC barcode number. The retailer then manually enters that information into their inventory management computer. When they scan your barcode at the register, it calls up your form in their system and gives you credit for the sale. Your barcode is a necessary tool to link everything.

Once you place your barcode onto your product, either by printing it onto a sticker or placing it into the artwork of your packaging, your work is done. The retailer does the rest.

Did you know?

UPC stands for Universal Product Code

What Type of Barcode do I need?

If you live in the United States or Canada and your product is not a book or a magazine, then you need what is called a UPC-A barcode, also known as UPC codes or UPC's. All of them refer to the same 12-digit barcode you see on nearly every product you'll find in a store.

Whether you are selling toasters, CD's, clothing, newspapers, auto accessories, pharmaceuticals, food, alcohol, or anything else you can think of, you need to put the standard 12-digit UPC-A barcode on your product. The great news is that once you have a UPC barcode on your product, you can sell your product in any store around the world.

Only books and magazines require something other than a UPC code since they use an entirely different type of coding system. Books, for example, require an ISBN barcode, which is only issued by the Library of Congress. Their website is www.bowker.com. Magazines use an industry code called a Bipad number. These are issued at www.bipad.com.



How many barcodes do I need?

This question is perhaps the easiest of all to answer.

It should now be clear that barcodes are a simple and convenient way for retailers to keep track of their inventory. With a computerized barcode inventory system, retailers no longer have to pay someone to perform tedious manual shelf counts for all of their products. It is as simple as doing a quick search on their computer to find out their inventory needs. This is why it is important that each different product has a different barcode. To answer the question of how many barcodes are needed, I will give you a couple of quick examples.

(FYI, in these examples you could substitute the words flavors, styles, or colors and they would work just the same.)

Example 1: If you sell a plain, red t-shirt that comes in three different sizes, you would need to buy three barcodes. This way, if one of the sizes is selling faster than the others, the store will be able to tell instantly through their computerized inventory system which one needs to be replenished.

Example 2: If you sell two different styles of t-shirts (a plain, red and a plain, blue t-shirt) and each color comes in three different sizes, you would need to buy six different barcodes ($2 \times 3 = 6$).

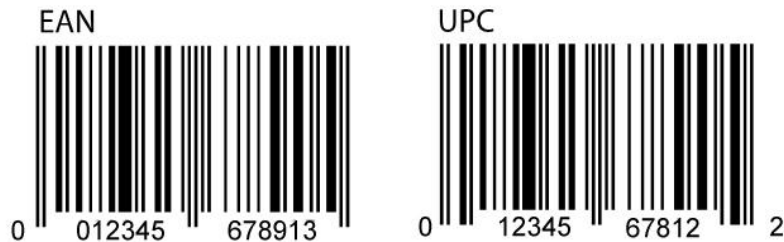
Example 3: You have just recorded your first CD and you had 1,000 copies of your CD printed up. You would only need one barcode. You always keep the same barcode on the same product, no matter what type of product it is. However, each additional new CD you record in the future will also need its own unique barcode.

What is the difference between a UPC and an EAN barcode?

When asked about EAN barcodes, the questions usually go as follows: What are they? Do I need one on my product? If I already have a UPC, do I also need an EAN? If I already have an EAN barcode on my product, do I also need a UPC?

Let me start by saying that all barcodes (both EAN and UPC) originate from the exact same source - a private company called GS1 that is owned and operated by Wal-Mart, Kroger's and a few other large retailers. UPC barcodes came first and then a few years later EAN barcodes came along. Both types of codes come out of the exact same database.

In fact, the only real difference between an EAN barcode and a UPC barcode is that an EAN consists of 13-digits and a UPC barcode is 12-digits. Other than that, they function the same.



Why they exist is an interesting question. From everything I have read, EANs were a marketing ploy born out of the overwhelming success of the UPC barcode system in the United States. Realizing that they could have a lucrative worldwide monopoly on barcodes, GS1 set out to put a GS1 location in just about every country in the world. They also came up with a plan to assign every country its own Country Code. To do this, GS1 needed to expand their numbering system from 12-digits to 13-digits. Thus, EANs were born. The acronym EAN actually means European Article Number.

Do I need an EAN barcode on my product?

If you already have a 12-digit UPC barcode on your product then you do not need to additionally purchase an EAN barcode. (If you call GS1, they will tell you the exact same thing.) With a UPC barcode, you can sell your product in any store around the world.

That said, GS1 has done a great job of selling the idea of country-specific EAN barcodes. Throughout Europe, South America, Australia and many other countries, when you inquire about barcodes they will refer you to the GS1 location in that country where they will only sell you a 13-digit barcode.

There is just one major problem. An EAN barcode will not work in the United States or Canada. The U.S. and Canada exclusively use 12-digit UPC barcodes for retail products and the scanners in these two countries will not recognize EAN barcodes. That means you would need to also have a UPC barcode on your product.





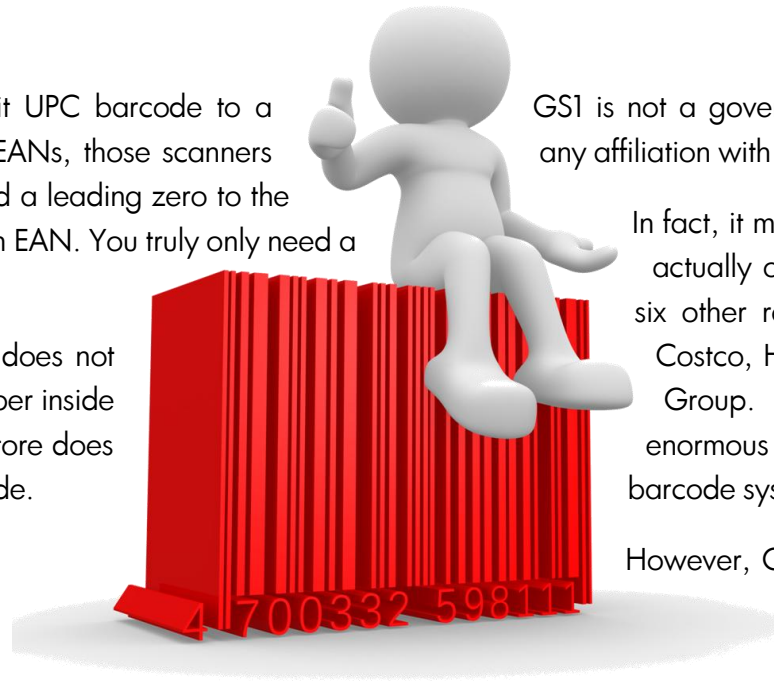
By contrast, if you take a 12-digit UPC barcode to a country that is set up for 13-digit EANs, those scanners are calibrated to automatically add a leading zero to the 12-digit number and convert it to an EAN. You truly only need a UPC barcode.

As long as your barcode number does not match anyone else's barcode number inside a store's inventory computer, the store does not care where you get your barcode.

What is GS1? Are they a part of the government?

For more than 14 years I have been answering these questions so let me sum up the answers as clearly as I can.

GS1 is the name of the company that created the entire barcoding system currently used by all retailers around the world. What is often immediately confusing about GS1 is that for the first 30 years of its existence it was known as the Uniform Code Council (or U.C.C.) The U.C.C. changed its name to GS1 about 10 years ago but is still often referred to as the U.C.C. by many established business owners.



GS1 is not a governmental organization nor does it have any affiliation with the government whatsoever.

In fact, it might not surprise you to learn that GS1 is actually owned and operated by Wal-Mart and six other retail giants including Target, Kroger's, Costco, Home Depot, Lowes, and the Federated Group. Together these companies make an enormous profit from their monopoly on the barcode system.

However, GS1 did create this simple and powerful system of barcoding.

Before there was GS1, there was no universally organized system of inventory management. In fact, GS1 came about as a way to solve the chaotic inventory tracking problems faced by stores. GS1 came up with a simple numbering system where every new company would get their own set of unique barcode numbers for their products exclusively from GS1. As long as every new business in the world with a new product got their barcodes from GS1, the whole system would work beautifully. Amazingly, this is what GS1 was able to pull off.



As GS1's monopoly grew, so did its tendency to raise its prices. Unfortunately, they are so expensive they have become a prohibitive expense for many people trying to start a new business.

While all barcodes must originate from GS1, an alternative does exist that has brought the expense of obtaining barcodes down dramatically.



I originally became "The Barcode Guru" in 1999 when I started Buyabarcodes.com. I was fortunate to be the first to figure out a simple way to circumvent GS1's monopoly without bringing chaos back into the inventory system.

We were even featured in both The Wall Street Journal and The Washington Post as an alternative to GS1.

First of all, it is very important that all barcodes originate from GS1. However, it is not necessary to purchase them directly from GS1, as long as the company you are purchasing your barcodes from originally purchased their barcodes from GS1. For example, at my company Buyabarcodes.com, all of the barcodes we sell come directly from GS1. We also know that our barcodes have never been used before. We know when we sell you a barcode, you can take it into 99.9% of all stores in the world and it will work perfectly.

Why only 99.9% you might ask? Well, as you may have suspected, it has to do with Wal-Mart and the other six stores who own GS1. With the growing success of Buyabarcodes.com, Wal-Mart and its partners added a requirement to anyone wanting to sell products in their stores. They must provide a receipt as proof they purchased their barcodes directly from GS1 and not Buyabarcodes.com. This way, they can help protect their lucrative barcode business.

So, plainly stated, if you want to sell your products in Wal-Mart and its six partners you do actually need to deal directly with GS1. These partners include Target, Kroger's, Costco, Home Depot, Lowes, and the Federated Group.



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However, if you are not intending to sell at these stores and have a strategy that is not based on mass merchandisers anytime in the near future, there is absolutely no need to go to GS1. Instead, you are able to take advantage of the services and savings you will get from Buyabarcodes.com.

We also give you the option of buying just one barcode at a time, if that is all you need. GS1, in comparison, makes entrepreneurs buy a minimum of 100 barcodes. If you purchase through them, you will have to spend anywhere from a minimum of \$750 up to \$15,000 for your block of 100 barcodes. This is because GS1 bases what they charge you on what you tell them your future estimated annual revenues are going to be. This also does not include their annual renewal fees, which can range from \$150 to \$3,500! For a small business owner, this price is daunting, especially after using the majority of your money to produce your product. Buyabarcodes.com takes that problem away. The barcodes you purchase through Buyabarcodes.com will never expire and we have no annual renewal fees.

Also, just a word of caution, BEWARE of bootleggers! With any business, you will have a few people out there that try to scam you out of your hard-earned money. These thieves are providing invalid barcodes, proving to be an even bigger frustration for

entrepreneurs. Buyabarcodes.com is a TRUSTED, LEGITIMATE source for your barcodes. We guarantee you will receive a 100% unique and GS1 authorized barcode.

