



ACQUIRING UNIVERSAL PRODUCT CODES IN THE UNITED STATES AND CANADA

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General Overview

Universal Product Codes (UPCs) are important for ensuring success of company/business products at retail.

UPCs are unique combination of parallel bars and spaces with an accompanying number that communicates data about a product in the American retailing system. UPCs have become crucial in standardizing millions of products across various manufacturing, distribution and retailing systems.

GS1 is a not-for-profit group based in Brussels, Belgium, which administers the standards for UPCs globally. Acquiring a UPC code for a product has become part of the price of admission small companies have to pay for scaling up production, distribution, and sales. While product-ID standards and technology continue to evolve, it is very likely that 10 or 15 years from now companies/business will still be using the same UPCs for their products that they're using now.

Use of a UPC

Any company/business that plans on selling through large retailers must have a UPC. Supply chains depend on bar-code info provided by their suppliers to ensure accuracy and drive efficiency in their own sales results, ordering, and logistics. Similarly, large B2B costumers also require companies/businesses to provide a UPC in order to use Electronic Data Interchange (EDI) to electrically receive and send info about orders.

UPCs will likely take on more importance for a company/business as it begins to grow.

Acquiring a UPC in the U.S.

For many small companies/businesses, UPC codes are one of the issues that must be tackled sooner or later. Acquiring a UPC is easy. If the company/business is based in the U.S, it can access the US branch of GS1 at www.gs1us.org where it can pay to join GS1 US, which in exchange assigns each member its own identification number that appears as the first part of its UPC.

Companies and businesses are expected to pay an initial fee for as low as \$250, then a much smaller annual license fee. The fee depends on the number of unique products which a company/business will expect to sell, but usually starts at \$50.

Companies/businesses usually need different UPC codes for each product they sell, even if it is just a different size. This ensures companies will add more numbers to their GS1-issued identification code to identify each of their products. Each UPC can be used to produce a specific barcode that can then be

printed out and attached to products, or ideally, incorporated into the product design so that it is easily scanned at the register.

Acquiring a UPC in Canada

In Canada, the GS1 Canada maintains global standards for the identification of goods, and deals with bar code issues and maintenance. The process of acquiring a UPC in Canada is virtually parallel to that of the GS1 U.S., only difference being is that GS1 Canada is reserved for Canadian producers and manufacturers.

Canadian companies and businesses are encouraged to acquire a license from www.gs1canada.org to register their products. Rates start as low as \$60 for an individual license with a single bar code for a product, and \$150 for a basic license which supplies up to 10 bar codes for products.

Creating a UPC with GS1 US

When a barcode is acquired on www.gs1us.org and the initial license fee is paid, a “member kit” is e-mailed to the company/business after a step-by-step sign-up process. It includes company-ID sub-code that will comprise the first few digits of each the company’s UPCs.

A company/business will have three options for creating a UPC with www.gs1us.org:

1. Company/business can create a UPC on their own by supply a few digits by numbering their own products. Use the GS1 US Check Digit Calculator to acquire a “check digit” that will be needed as the last number of the UPC.
2. Company/business can use the GS1 US online tool Data Driver, which is free as part of the license fee.
3. Company/business can contact one of the GS1 US certified barcode providers at <http://www.gs1us.org/resources/solution-partners/find-a-solution-provider>

Alternative Options

GS1US is highly recommended and advised as it will streamline the process in the prospect that the company/business will continue to expand and distribute more products. However, there are alternatives for companies/businesses that only aim to distribute mainly one product through a private retailer.

Some internet-based companies now resell UPC codes for less than \$100, so small companies don’t have to pay to join GS1 themselves. Company/business will be paying for the use of that company’s identification number – not their own. If it is purchased, products using that UPC will begin with another company’s ID number. It can be a great solution to a cash-strapped company, or a business that is working with small or independent retailers – if the retailers don’t mind – and just selling one or two products.

It is important to note that it won’t work if a company/business is planning to sell through major retailers because they generally require product makers to have their own identification numbers.

Listed are two alternative internet-based UPC companies:

<http://buyabarcodes.com/pricing> - starts at \$75

https://www.upccode.net/order_form_upc.php - starts at \$89

These two sellers offer a cost of a single product barcode as a one-time fee, guarantee no memberships, renewals, annual fees, setup charges, or any other ongoing commitments upon purchase.

For More Information

The U.S. Commercial Service in Calgary, Canada can be contacted via:

E-mail: cindy.biggs@trade.gov

Phone: 403-265-2116

Fax: 403-266-4743

Website: <http://calgary.usconsulate.gov/sections-offices/commercial-service/>

The U.S. Commercial Service — Your Global Business Partner

With its network of offices across the United States and in more than 80 countries, the U.S. Commercial Service of the U.S. Department of Commerce utilizes its global presence and international marketing expertise to help U.S. companies sell their products and services worldwide. Locate the U.S. Commercial Service trade specialist in the U.S. nearest you by visiting <http://www.export.gov/eac>.

Comments and Suggestions: We welcome your comments and suggestions regarding this market research. You can e-mail us your comments/suggestions to: Customer.Care@mail.doc.gov. Please include the name of the applicable market research in your e-mail. We greatly appreciate your feedback.

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