Newsagent Discussion Paper – Sticky Labels
Internal Use

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This Discussion Paper is designed to provide a platform for any further discussion or queries on the Sticky/Virtual Labels topic.

Introduction

This Paper seeks to address ways to improve magazine supply chain efficiencies in terms of time and cost. XchangeIT has identified one area that might be improved, that being the process of printing barcode labels for magazines. The question is:

Can we improve the Magazine Management Supply chain by creating a **virtual barcode label system**? In other words, replace/remove/modify the existing "sticky label barcodes" with a different or improved system.

Paper purpose

- Not give an empirical solution or define best practice but rather Promote & stimulate discussion.
- Raise some potential opportunities within the supply chain and alternate processes to provoke thought.

Outline of discussion paper

- As described above: Can we improve the Magazine Management Supply chain by creating a **virtual barcode label system**? In other words, replace/remove/modify the existing "sticky label barcodes" with a different system.
- What might it look like?
- What is the role of newsagents in this system?
- What is the role of POS Suppliers, Magazine distributors, and XchangeIT in this system?
- If it is worth doing, why so?
- Why should we not do it?
- While the labels add value to newsagent & subagent operations the process required is a source of material cost (labour & materials). As standard product barcodes have and continue to evolve / improve it is worth discussing the current & future role of retail level labelling.
- What is, or should be, the role of the Publisher in this exercise?

Current approach - Retail

- There is a Questionnaire that follows this Discussion Paper that we would like you to complete and send back to XchangeIT.
- Consider your particular magazine receiving and labelling process.

- Consider how you use the sticky labels to manage your magazine pockets.
- Consider how you use the sticky labels to manage your Returns process.
- How long does it take you to do these distinct tasks and what is the associated cost (see questionnaire)?

The case for staying as is

What do you see as the case for staying with the current system? See Questionnaire. Some benefits might be …

- Understood, trusted, tested, proven, embedded.
- We have to do it for Overseas Mags anyway.
- No tech skills required, simple process for staff.
- Not used for every title. Extent varies by agent. Best practice tends to not using on high volume weekly and monthly titles.
- Simple ID of unit level shortages during inbound receipt.
- Label guides shelf positioning via sub-cat code.
- Simple ID of goods scheduled for return.
- Simple on-floor stock management EG ID slow moving stock, stock location.
- Barcode links 100% to stock ref# in local DB.
- Simple subagent returns process – Subagent "owns" process based on week #'s.
- Other?

Case for change - Retail

What do you see as the case for changing the current system? See Questionnaire. Some reasons might be …

- Labour cost in the receiving process. Approach requires unit level handling. A labour estimate model (insert your own numbers):

Per Store			
Labour Cost Per delivery	Labour Per Annum	Consumables	TOTAL
$ 12.50	1250	$ 50.0	$ 1,300

- Consumables cost
- Stickers are no longer needed to ensure accurate barcode scanning at store level. 90%+ of products carry EAN compliant barcodes.
- Unit level labelling slows speed of product to shelf and to subbies.
- Barcoded sticky labels don't add to the consumer experience.
- Newsagents competitors don't label magazines & therefor don't incur the costs.
- Emerging barcode standards such as GS1 Databar open up the opportunity of reducing barcode footprint while encoding more data within the barcode itself.
- Other?

Case for change – Distribution

- <mark>Not applicable to Newsagents.</mark>

Possible options under discussion

- Reduce labelling to only those products that don't carry an EAN compliant barcode or local A$ pricing.
- Replace the use and processes underpinned by newsagent barcode labels with systemised equivalents administered by each POS.
- Identify and use a "smart" mobile scanner/device that takes the place of the barcode labels.
- Discuss the option of moving the publisher barcode to a different, acceptable place on the magazine cover.
- What other options do you, as a newsagent, see? Tell us in the questionnaire.

Other questions to consider

- What practices are used in comparable supply chains.
- 10 years from now what kind of supply chain do we want?

Some early conclusions

- After a preliminary discussion with all POS suppliers and approximately 15 newsagents there are divided views, but the majority of newsagents want to turn the discussion into a more formal exercise – hence this paper and questionnaire.
- There are significant arguments for and against product labelling.
- There is no silver bullet for excess supply chain costs but this type of alternative is worth considering.
- If you have a Point of view we encourage you to complete the questionnaire.

END