

国际贸易实务(双语版)

Chapter 7

Packing and Marking of Commodity



Chapter 7 Packing and Marking of Commodity

Teaching Plan 2

Teaching Contents

Section Two Kinds of Packing

Teaching time: Two-class hour (90 minutes)

Learning Objectives

1. Master the definition and functions of sale packing
2. Master the indication and description of sales packing
3. Master the meaning and application of OEM, no brand/logo and neutral packing

Important Points:

1. The functions, indication and description of sale packing
2. The meaning and application of OEM, no brand/logo and neutral packing

Difficult Points:

The meaning and application of OEM, no brand/logo and neutral packing

Teaching Methodology:

Questions and Answers; Presentation; Group discussion; Case analysis

Teaching Aids:

PPT, blackboard, multimedia classroom

Section Two Kinds of Packing

II. Sales packing

1. Brief introduction to sales packing

Sales packing, also called “inner packing”, “small packing” or “immediate packing”, is the first packing with appropriate packing materials or container or vessel after production. As discussed above, packing is the final stage and essential part of production for some goods.



Section Two Kinds of Packing

II. Sales packing

1. Brief introduction to sales packing

Functions

1 . Protect the commodities

Inner packing is adopted first as a means to **protect the commodities**, reducing risks of them being damaged during the transportation and circulation. For most commodities, production is finished only after the commodity is packed. Only after that can it enter the circulation process and consumption stage.



Section Two Kinds of Packing

II. Sales packing

1. Brief introduction to sales packing

Functions

2. Prettify commodities

Inner packing also **prettifies commodities**, making them more attractive to customers, enhancing their competitive abilities. Inner packing is thus acting as a “silent” salesperson persuading people to buy and promoting sale.



Section Two Kinds of Packing

II. Sales packing

2. Indication and description of packing

(1) Design and presentation of packing

One of the functions of sales packing is to attract the buyer or customers, and promote sale.

Therefore, with the development of science and technology, sales packing must be artistically attractive and impressive, add value to the product and promote sale. For goods sent abroad, sometimes both Chinese and English, or other foreign languages are used. Besides, when sales packing is designed, consideration should be made to enhance the convenience when consumers use the product.



Section Two Kinds of Packing

II. Sales packing

(2) Consideration of cultural issue and relative laws and regulations

Sales packing also requires adapting to the local culture and relative laws and regulations. People of different social systems, religions, and social customs are quite different in their favorable designs and colors. Some even have their own taboos.



Section Two Kinds of Packing

II. Sales packing

(2) Consideration of cultural issue and relative laws and regulations

For example, among the symbols for inner packing, Islamic people do not like to see pigs and pandas; and chrysanthemum is not welcomed in Italians. Also among colors for inner packing, Brazilians dislike to see purple, yellow, dark brown; French people do not like green and Germans do not like to see red, black, dark brown, and deep blue.

Section Two Kinds of Packing

III. Product Code

To fulfill the sales packing, product code should also be made except the design and description discussed above.

Bar code on goods is a kind of product code. It refers to a standard for encoding a set of regularly arranged lines, spaces and its corresponding characters that can represent certain product information. Product code constitutes a group of information such as the name, specification, production date, manufacturer, origin and price of the commodity, with which efficiency of commodity management is greatly increased.



Section Two Kinds of Packing

III. Product Code

Since the creation of product code, many encoding systems have been created. Among them the most commonly used is EAN (European Article Number) system created by EANA (European Article Numbering Association).

Section Two Kinds of Packing

III. Product Code

1. Creation of EAN system

A European Article Number (EAN) is a barcode standard developed on the success of Universal Product Code (UPC通用产品代码) system. It was developed in North America by European Article Numbering Association (EANA), which was founded in 1977 and consists of 12 European countries. Today, across the world more than 100 countries, 700,000 enterprises use EAN system. From an early stage, EAN system was merely used in the P.O.S. system of retail sale. The application now expanded greatly covering industry and commercial activities from ordinary consumer goods to books, garments, medical instruments, and other products.



Section Two Kinds of Packing

III. Product Code

It should be the success of UPC system which has brought about the naissance of EAN system. However, EAN system developed rapidly. Because of the success of EAN system in the European countries, EANA essentially became an international organization. Therefore, it was later (in 1981) changed into EAN International (International Article Numbering Association国际物品编码协会). Later EAN system became compatible with UPC system. In April, 1991, China was officially accepted as a member of the EAN.

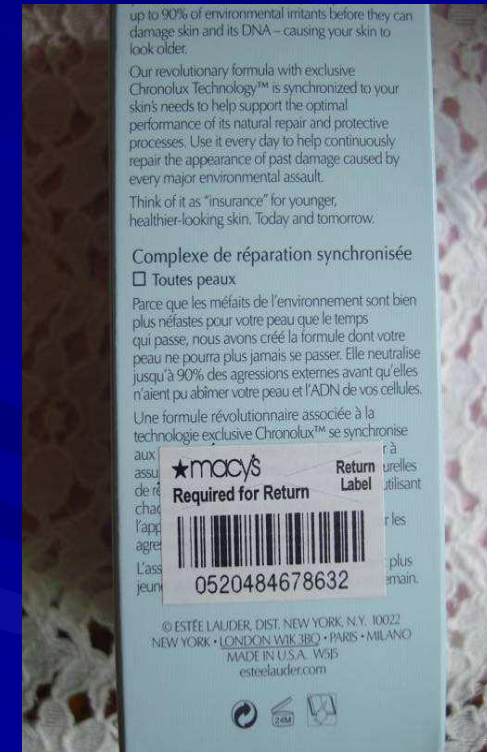


Section Two Kinds of Packing

III. Product Code

2. Composition and features of EAN code

©EAN barcode consists of
Country codes, 前缀码
Manufacturer codes, 厂商识别码
Product codes 商品目录代码
and a checking code 校验码.



Section Two Kinds of Packing

III. Product Code

2. Composition and features of EAN code

- ◎ The country codes are codes used by EAN International to identify countries.
- ◎ Codes allocated to mainland China are 690- 695.
- ◎ Manufacturer codes are codes allocated by EAN International for individual manufacturer and used after country codes.
- ◎ Product codes are formulated by the manufacturer itself for products.
- ◎ The last code is checking code used to ensure that the barcode is correct.

Section Two Kinds of Packing

III. Product Code

2. Composition and features of EAN code

© There are two types of EAN barcode.

One is the standard format with 13 numbers, called **EAN-13 barcode**;

The other is the shortened format with 8 numbers, called **EAN-8 barcode**.

Section Two Kinds of Packing

III. Product Code

2. Composition and features of EAN code

© EAN-13 barcode consists of 12 digits as product codes and 1 digit called “checking code”. The digits are first split into three groups:

The first 3 codes are country codes,
4-7 are manufacturer codes,
8-12 are product codes
and the **13th** is the checking code.



Section Two Kinds of Packing

III. Product Code

2. Composition and features of EAN code

- ◎ **EAN-8 barcode** consists of 7 digits as product codes and 1 digit called “checking code”.
The first 3 codes are country codes,
4-7 are manufacturer codes
and **the 8th** is the checking code.



Section Two Kinds of Packing

III. Product Code

©Features of EAN code are that one product serial has one barcode, and one barcode identifies one product serial.



Section Two Kinds of Packing

III. Product Code

For example:

Barcode for bottled “HaiTian” soy sauce is 6902265120506;

690 represents EAN in China,

2265 represents “Guangdong Foshan Haitian Seasoning Company”

12050 is the product code for soy sauce.

6 is the checking code

Such encoding method ensures that “6902265120506” only corresponds to soy sauce of “HaiTian” whenever and wherever it is used.]

Therefore, EAN/UPC is the only barcode system in the world in which one barcode identifies one product serial.



Section Two Kinds of Packing

III. Product Code

3. Application of Product Code

Currently, in many countries and regions, it is compulsory to have product code in packing of commodities. Otherwise, they are not allowed to enter the world market. Product code thus has become the important content of modern packing.

For wholesale, storage and transportation, with product code, product classification, delivery, searching, checking, summing up will all speed up and be done precisely, which shortens time of product circulation and reduces cost, making storage and transportation much more efficient.



Section Two Kinds of Packing

III. Product Code

4. Application and administration of product code in China

To improve and reinforce our management of product code, bringing the management under the normalized system of law and standard, the State Bureau of Quality and Technical Supervision 国家质量技术监督局 issued the Management Measures of Product Code in September 1998, which officially went into effect on December 1, the same year.



Section Two Kinds of Packing

III. Product Code

4. Application and administration of product code in China

According to the management measures, all licensed manufacturers and sellers can apply for products codes.

Having the application approved, applicants will be given a certificate by the centre.

Then they will have the right to use the code for their products.

No products code is allowed to be transferred or used by those who have not applied for the rights.



部分前缀码所代表的EAN组织:

00—13 美国和加拿大

30—37 法国

380 保加利亚

383 斯洛文尼亚

385 克罗地亚

387 波黑

400—440 德国

45、49 日本

460—469 俄罗斯联邦

471 中国台湾

474 爱沙尼亚

- 475 拉脱维亚
- 477 立陶宛
- 479 斯里兰卡
- 480 菲律宾
- 481 白俄罗斯
- 482 乌克兰
- 484 摩尔多瓦
- 485 亚美尼亚
- 486 格鲁吉亚
- 487 哈萨克斯坦
- 489 中国香港
- 50 英国
- 520 希腊
- 528 黎巴嫩

- 529 塞浦路斯
- 531 马其顿
- 535 马耳他
- 539 爱尔兰
- 54 比利时和卢森堡
- 560 葡萄牙 569 冰岛
- 57 丹麦
- 590 波兰
- 594 罗马尼亚
- 599 匈牙利
- 600—601 南非
- 609 毛里求斯
- 611 摩洛哥
- 613 阿尔及利亚
- 619 突尼斯
- 622 埃及
- 625 约旦

- 626 伊朗
- 64 芬兰
- 690—695 中国
- 70 挪威
- 729 以色列
- 73 瑞典
- 740 危地马拉
- 741 萨尔瓦多
- 742 洪都拉斯
- 744 哥斯达黎加
- 743 尼加拉瓜

- 745 巴拿马
- 746 多米尼加
- 750 墨西哥
- 759 委内瑞拉
- 76 瑞士
- 770 哥伦比亚
- 773 乌拉圭
- 775 秘鲁
- 777 玻利维亚
- 779 阿根廷
- 780 智利
- 784 巴拉圭
- 786 厄瓜多尔

- 789 巴西
- 80—83 意大利
- 84 西班牙
- 850 古巴
- 858 斯洛伐克
- 859 捷克
- 860 南斯拉夫
- 869 土耳其
- 87 荷兰
- 880 韩国
- 885 泰国

- 888 新加坡
890 印度
- 893 越南
- 899 印度尼西亚
- 93 澳大利亚
90、91 奥地利
- 94 新西兰
- 955 马来西亚

Section Two Kinds of Packing

IV.OEM, no brand/logo and neutral packing

1. Original Equipment Manufacturer (OEM)

The term, OEM (original equipment manufacturer) refers to companies that make products for others to repack and sell with the buyer's brands or trademark.



Section Two Kinds of Packing

IV.OEM, no brand/logo and neutral packing

Currently, products in many supermarkets, chain stores or special shops in the world market tend to be sold with their names or logos on the products to raise their name recognition and drive up the prices. Many sellers accept OEM because they want to increase prices and expand sale with the strong management ability of the buyer and his commercial reputation as well as the reputation of his brand.

Section Two Kinds of Packing

IV.OEM, no brand/logo and neutral packing

In China, OEM is usually accepted when the order placed by the foreign buyer is big and the demand is stable.

To adapt to the demand of the buyer and to expand export, OEM is accepted within certain parameters.

But it is important to make it clear whether the products sold with the manufacturer's name and logo will be crowded out by the foreign buyer's OEM products. If it is true, it will negatively influence the establishment of the manufacturer's own brand in the world market.

Section Two Kinds of Packing

IV.OEM, no brand/logo and neutral packing

2. No brand/logo

No brand is a practice that refers to a situation in which the buyer does not require any brand or logo to be used for the export products. It is mainly used for some unfinished goods which need further processing, such as the raw cotton fabric for printing and dyeing, or the woolen cloth, whole roll of cloth, silk or lace for making garments, etc. It is mainly to avoid waste and reduce cost. Some importer such as chain stores and supermarkets which order low value daily goods in China always require no brands or logo on the products to save cost.



Section Two Kinds of Packing

IV.OEM, no brand/logo and neutral packing

2. No brand/logo

However, when OEM or the practice of “No brand” is adopted for products exported to foreign market, except special stipulation in the sales contract, “Made in China” must be indicated.

Section Two Kinds of Packing

IV.OEM, no brand/logo and neutral packing

3. Neutral packing

Neutral packing is a special type of packing, which means that there is neither a name of the origin, nor a name of the factory, nor a trademark, a brand, or even any words on the packing of the commodity and the commodity itself. That is the names of origin and manufacturers are not shown on the inner or outer packages.



Section Two Kinds of Packing

IV.OEM, no brand/logo and neutral packing

3. Neutral packing

Neutral packing includes two kinds: neutral packing without designated brand and neutral packing with designated brand.

Neutral packing without designated brand means packing without trademark, name of origins or the mark of the manufacturers.

Neutral packing with designated brand means packing with trademark designated by the buyer but without the mark of the manufacturers or name of origins.



Section Two Kinds of Packing


IV.OEM, no brand/logo and neutral packing

Neutral packing is sometimes adopted because the exporters want to break down the high tariff duties or to avoid the problems caused by the import quota imposed by the importing countries on their exports, or for some other marketing reasons. Neutral packing increases the flexibility of trade. However it should be adopted with certain parameter and handled with care.



Section Two Kinds of Packing

IV.OEM, no brand/logo and neutral packing

 **Brainstorm:** *A buyer from Hongkong wants to shift the export orders of “MeiHua” cloth from China to Thailand. He requires that “Made in China” and the trademark “MeiHua” not be printed on the package. To promote sale and expand export, can we accept the deal?*



Thank You !