

Press Release

Every fourth bottle ends up in the grey market: The RFID-based solution from Checkpoint Systems brings hope to wine, champagne and spirits retailers

Hirschhorn, May 18th, 2022 – 25.8 percent of the alcohol bottles in circulation come from the grey market¹. This causes enormous economic damage to the licit wine, champagne and spirits retailers and also affects brand perception. As a key partner in protecting the high-value products in this industry and retail sector, Checkpoint Systems has developed a complete RFID solution that ensures highly-accurate traceability of alcoholic beverages - from production to point of sale. This source tagging helps to counter the grey market and is also highly effective against the spread of counterfeits.

The grey market refers to the sale of products through distribution channels that are not authorised by the manufacturer or the owner of the brand. In this process, applicable regulations in a country, including tax agreements, are circumvented and official, legally compliant retailers and producers are the ones on the losing end. To prevent this, more transparency in the supply chain is needed. Checkpoint Systems, in cooperation with renowned brands in the wine, champagne and spirits market, has responded to this need by developing a complete RFID solution that provides highly-accurate traceability at product level.

Reliable unit tracking

The basis of this end-to-end RFID solution is the application of RFID technology to liquid containing products and thus the reliable tracking of each individual unit. For this purpose, each bottle is provided with an RFID tag upon arrival in the factory, which is then identified by RFID readers. Subsequently, the product can be easily recognised at every stage of the supply chain, which also facilitates the verification of the product's origin and authenticity at the authorised points of sale. Additional oversight is achieved with the new RFID tunnel from

¹ Euromonitor Global Alcohol Study

Checkpoint Systems, which is part of Checkpoint Systems' solution for the grey market and has been equipped with high-precision antennas for reliable and consistent traceability.

Fighting counterfeiting successfully

Another key problem area for wine, champagne and spirits brands can also be addressed by the new end-to-end RFID solution – counterfitting. The RFID-based source tagging fights fraud and the distribution of illicit alcohol by enabling on a global scale to:

- easily identify each product
- obtain an accurate report on product quantities by destination and at each stage of the supply chain
- verify and authenticate products at their authorized point of sale.

Flavio Musci, Sales Director Source Tagging Europe at Checkpoint Systems, explains:

„Brands need to implement solutions that give them increased supply-chain visibility. This means knowing where products are at every step of the way, from manufacturer to distributor to end customer. The product needs to be identified directly at the manufacturer facility to be able to track it properly at each stage of the product journey. Obviously, this needs to be fast and effective, which is why technology integrated into the supply chain process is crucial. For brand owners there is a clear need for brand protection solutions to address this challenge and prevent the erosion of brand equity and value perception.“

Julien Thibault, Sales Director RFID & Source Tagging bei Checkpoint Systems France, kommentiert: „We have implemented the solution at a champagne producer. He now has a complete traceability solution to fight the grey market - hardware, software and RFID tags. He is able to track all his products in his distribution networks and also has a considerably optimised control over their flow and his brand image.“

About Checkpoint Systems, Inc. (www.checkpointsystems.com)

A division of CCL Industries, Checkpoint Systems is the only vertically integrated RF/RFID solution provider for retail. With consumer demands accelerating at an extraordinary rate driven by technology, Checkpoint delivers intelligent solutions – bringing clarity and efficiency into the retail environment anytime, anywhere. Through a unique offering of software, hardware, labels, tags and connected cloud-based solutions, Checkpoint optimizes retail operations and efficiencies with real-time intuitive data delivered throughout the supply chain and in-store resulting in improved profitability and an enriched consumer experience. Checkpoint's intelligent retail solutions are built upon 50 years of radio frequency technology expertise, innovative high-theft and loss prevention solutions, market-leading software, RFID hardware and comprehensive labeling capabilities to brand, secure and track merchandise from source to shelf.

Pressemitteilung

The current radio frequency EAS systems from Checkpoint Systems meet all the requirements applicable in Germany with regard to exposure to electromagnetic fields. It is therefore not necessary to maintain a safety distance from the antennas and deactivators.

About CCL Industries

CCL Industries Inc., a world leader in specialty label and packaging solutions for global corporations, small businesses and consumers, employs approximately 19,000 people and operates 150 facilities in 25 countries on six continents with corporate offices in Toronto, Canada, and Framingham, Massachusetts. For more information, visit www.cclind.com.

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