



newsletter

The management
Newsletter for all
industries involved
with bar-code
scanning and
related
technologies.

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The issue of item pricing....

....of supermarket merchandise is rapidly heating up once more. It seems to have started when Robert Aders, president of Food Marketing Institute, called for experimentation with item price removal with the statement, "What happens in the future depends on the approach on item pricing. What we need now...is time to experiment with price off...and what kind of savings are involved."

The Consumer Federation of America has again become very vocal in their opposition to item pricing. Representative Benjamin S. Rosenthal (D, N.Y.) has renewed his efforts to write item pricing into national law, and has introduced an omnibus food labeling bill. Labor groups had originally been strong in their opposition to item pricing but had backed off a year or two ago when the industry promised to retain it. Labor unions are entering the fray once more, but this time they are taking a slightly different tack. "Actually it's not really a labor issue with us. This is a consumer position we are taking," according to Walt Davis, Executive Director of the Retail Clerk's International Union.

California's item pricing law expires at the end of this year and renewal is now up for consideration in the state legislature. There are conflicting reports as to who is winning. Some believe the results in California may point the way for action to be taken elsewhere. Six states have enacted mandatory item pricing laws -- New York, Rhode Island, Michigan, Massachusetts, Connecticut and California and pressure is on to get similar legislation in other states. Some of the supermarket chains have been experimenting with price-off merchandise in those states which permit it. Generally these activities are not heavily publicized and the economic results are not well known.

Whatever efforts are being conducted by the industry to oppose item pricing are being done quietly by the lobbyists. There has been no broad-based effort to educate the consumers as to the benefits of UPC and scanning or the potential benefits of item price removal. The next twelve months would seem to be significant.

It should be noted, of course, that although the removal of item pricing would be an economic plus for the supermarkets, most retailers are convinced that the benefits of scanning exceed any incremental cost savings from item price removal.

The Food Marketing Institute scoreboard....

....for scanning supermarkets has reached 803 installations at the end of April 1979. The count for April was 59, and the equipment installed was: IBM - 27, NCR - 20, Datachecker - 5, Sweda - 4, Data Terminal Systems - 3.

Winn-Dixie's rate of installation and commitment to scanning continues at a phenomenal pace. Since their first scanning system in March 1978, the supermarket chain has installed over 90 systems including 800 scanning units. Over the next four years, Winn-Dixie plans to install a total of 500 or more scanning stores. All of the scanners so far have been from NCR, working on a base of 1172 Winn-Dixie stores which are equipped with the NCR 255/726 basic electronic checkout systems which are upgradeable for scanning.

We have been receiving conflicting reports....

....about the progress of EAN scanning in Great Britain. As recently as March 1979 we reported that two supermarket scanning systems were on order for Tesco and Fine Fare.

It now seems as if things are going a bit slower than expected. The latest word is that no one expects scanning to be installed in Great Britain until the end of 1979. Manufacturers have been fairly slow to incorporate the symbol on their packages and only Birdseye is moving ahead with any vigor.

From contact with individuals in Great Britain, and from reading the trade press, there seems to be a high level of interest, but very little real movement. As we have seen in other countries, it will probably take at least one or two store installations to get things going.

A recent article in Supermarketing (UK publication) presented the highlights of UPC/EAN progress and benefits in North America, Continental Europe and Japan, but carefully avoided any mention of the status in the UK. This has been part of a continuing pattern of meetings, seminars and articles reviewing the status in other countries, but with minimum commitment by the UK manufacturers and retailers.

The EAN marketplace....

....has been sufficiently attractive to Photographic Sciences, with the potential for expanded demand for EAN Film Masters, to prompt the Webster, New York Company to announce development of a European production facility for symbologies. Their plans are to complete the installation by the end of this year.

Photographic Sciences has established a network of dealers for the European market and plans to supply them from this new production facility. Rich Sher has been appointed new Export Administrator to deal with overseas communications.

The company has also announced the appointment of Michael Borgstadt as a Sales Representative for the Western Regional office. Formerly with Matthews International Corp., Borgstadt's primary responsibilities will be in sales of verification equipment and UPC film masters.

Vidac recently announced....

....that their in-store labeling equipment now includes the European Article Numbering code for European markets. The hand-held code labelers are designed to produce the 6 digit zero-suppressed UPC (LAC) code and the EAN-8 version for the European market.

Vidac is currently in negotiation with NOR Systems, Ltd., to distribute the hand-held labeler in Europe. No final word yet as to the scope of the distribution agreement under consideration.

Plessey-France Data Products Division....

....has reported some interesting recent installation applications in Europe. In what was described as the "first large order for bar code readers for an airline," initial deliveries to Air France were scheduled in May 1979.

Ron Hammon of Plessey also reports other recent installations: a major French pharmacy application; an inventory-control system for a large Italian manufacturer of TV components; a production/inventory control system for Dow Chemical in Holland; a production/control system for one of the largest communication cable manufacturers in Germany; a 380 unit POS contract for bar code readers for a major chain of shoe stores; and a multi-printer contract for a special version of bar code printers for blood banking.

Plessey Data Products recently signed a European distribution agreement with Symbol Technologies for all of S/T's products. This includes the Laserscan 550 and the Laserchek UPC/EAN verifier. Hammon reports first month's sales of 9 Laserchek units. The S/T equipment was displayed at the Hanover Fair and Plessey anticipates excellent sales in Germany, Scandinavia and the Benelux countries as a result.

The Laserscan 550 model,....

....billed by Symbol Technologies (Hauppauge, NY) as the "intelligent desk-top scan-above data terminal," is now being offered for applications in processing record returns, files, blood banks, documents, airline tickets, library books and scores of other applications. This flying-spot laser scanner is currently programmed to read UPC, EAN, Code 39, Codabar and Code 2 of 5, and features two-way data communications, data printer, operator prompting displays and audible tones.

The Laserscan 550 is the same unit that is being sold to Data Processing Services for magazine return processing (SCAN Apr '79). The unit is rated at 200 scans/second with keyboard display and printer options.

John Hill has returned....

....to the bar code scanning industry. He has just been appointed President and Chief Executive Officer of MEKontrol (Northboro, MA) where he will replace Don Percival who is now Chairman of the Board. Hill has been given full authority to review the company's line of products and market programs, and to chart its future activities.

Hill left Computer Identics less than a year ago and joined Eaton Kenway in Salt Lake City. He had been active with the Automatic Identification Manufacturers and was Chairman of that organization at the time he left for Utah.

Intermec's financial statement....

....for the fiscal year ended March 30, 1979, reported sales for the year of \$6.7 million compared to previous year's sales of \$2.6 million. This is an increase, reports the company, of 156%. Earnings went from \$.5 million in fiscal year 1978 to \$1.1 million in 1979. Corresponding earnings per share were \$.27 and \$.56.

"The most rapid gain in sales occurred in label printers for use with scanning systems," reports David C. Allais, president. He continues, "These printers comprise about half of this year's sales. Foreign sales increased from last year by 113%, but account for only 18% of this year's total sales due to the surge in domestic business." Allais looks for Intermec to continue growth in sales and earnings but at less than the extremely rapid pace of fiscal 1979.

Monarch Marking Systems....

....has become more aggressive in seeking new commercial/industrial applications for systems using Codabar. Monarch has been very successful with Codabar, which is probably the most widely printed and scanned bar code (with the exception of UPC/EAN).

The company reports that General Electric has adopted and standardized on Codabar for their internal applications. And the International Air Transport Association (IATA) has adopted it as the standard machine readable code for ticketing. IATA had considered OCR-A and Interleaved 2 of 5 but reported Codabar most reliable. At its meeting in November 1978, the Ticketing Information Exchange Task Force reaffirmed its previous recommendation that Codabar be selected. The Air Traffic Conference of America Passenger Committee will be considering this proposal at its upcoming meeting.

Codabar is not winning them all, of course. The full alpha-numeric capability of Code 39 makes that format desirable for many applications. Monarch has been exploring their own version of an alpha-numeric symbol, but has not committed anything to hardware or software.

Dick Jennings, who was Manager of Codabar OEM and Industry Sales has just left the company and bar coding. He is now with a company marketing security systems for retail and other applications.

The "Omega Concept"....

....comes to the portable data entry field, and was introduced by MSI Data Corporation at the June National Computer Conference in New York. The Omega Concept is described as a transformation of what had been "a single application storage and one-way transmission medium into a versatile family of program-loadable, multi-application, two-way communications terminal systems."

According to Donald F. Brosnan, president of the Costa Mesa, CA based company,

the Omega Concept allows MSI users to buy the portable terminal system that fills their needs today and then to progressively add expanded capabilities as they are needed in the future.

Brosnan continues, "MSI's implementation of the Omega Concept expands the horizons of our hand-held data terminals beyond their traditional role as order entry and inventory-taking devices. The Omega Concept has been created to enable the user to design an application terminal for a specific job, and then to expand and enhance the terminal's capabilities as its requirements grow and change by simply adding any of a whole series of plug-in modules."

At the heart of the system will be the MSI/88 portable data terminal introduced last year. This same terminal can now be expanded for different applications by plugging in different programmer modules for applications such as electronic ordering, time and attendance accounting and a cash/sales reporting.

We previously reported....

....on the availability of two scanners for reading magazine returns by the wholesalers in that industry. These were the Spectra-Physics unit, which has been on the market for a few years and the Symbol Technologies Laserscan 550, which was introduced two months ago.

George Wright, consultant to the Council for Periodical Distributors and its members, reports that six scanners are now available. In addition to the two mentioned above, Metrologic Instruments (Bellmawr, NJ) has a laser scanning device which is an improved model from the one that they demonstrated last year. Two hand-held wand units, from Identicon (Franklin, MA) and Intermec (Lynnwood, WA), can be used for manual operations. Comparatively inexpensive, these are intended for use as backup in return rooms (to report title and issue at receiving) and in stock room inventory count. Additional applications are planned for the manual units.

The sixth scanner, made by Acroscan, is a laser unit that is not yet fully operational but is in test at the Sunset News Agency in Los Angeles. This is part of the fully automatic "Scanveyor" designed to process magazines at a rate of 7-8,000 per hour for use in large agencies. The Scanveyor can also be adapted for use with any of the other laser scanning devices.

Wright reports, "There is now no doubt that UPC symbols will be the single entry source for over 100 wholesalers in the immediate future and that scanning will expand to cover a majority of agencies in short order."

3M's UPC Bar Code Printer,....

....originally designed for use by the supermarkets for front-end labeling, is now expanding in capability and market scope. The company reports that the "Magnestylus" is now programmed for UPC, EAN, Interleaved 2 of 5, and the Binary Code.

About 30 units are scheduled for shipment to Europe for installation in France and Germany and The Netherlands. 3M anticipates increased activity for their EAN printing device in Europe as more and more supermarkets install EAN scanning systems.

But 3M is also interested in industrial applications. They are exploring new markets for their electronic, non-impact Magnestylus printer in the boxed beef and furniture industries and for other commercial/industrial applications. With the new widespread interest in Code 39, the company expects to be programmed for that bar code soon.

The US Bureau of the Census....

....is preparing for the 1980 countdown with a new system for incorporating bar codes on their mailing labels. The plan is to print 5.8 million mailing labels using the ink-jet bar code process developed by Mead Digital Systems.

No particulars have been released yet but we understand the Bureau has still not let additional contracts for required bar code printers and readers. They had better get moving if they expect to have the system installed and working in time for the start of the Census next year.

Sweda International has announced....

....a new L-70 Point-of-Sale system for the retail industry. It features retail terminals with consolidation and collection devices that can be connected in a variety of ways to suit the needs of the individual retailer.

The L-70 is reported as an advanced solid-state electronic cash register with standard electronic functions, and it supports a wide range of peripherals, such as scales, printers, displays and bar code, OCR-A and credit card readers.

Prices will range from \$2700 to over \$5000 for a terminal, and customer shipments are scheduled to begin in the spring of 1980.

The keyboard is fully programmable and will be offered in several standard configurations for food, general merchandise, specialty store and other retail industries. Available are two consolidating devices, the internal consolidator, which can handle up to 15 L-70 terminals and the System 4, which can consolidate up to 64 terminals.

The Material Handling Institute....

....has prepared an interesting position paper entitled "Product Liability is a Ping-pong Game and You Are the Ball!" Written by R. M. Friedland, Chairman of the MHA Product Liability Steering Committee, reprints are available from MHI, 1326 Freeport Road, Pittsburgh, PA 15238, 412/782-1624.

Please note....

....that we have changed our mailing address. Direct all correspondence and subscription information to 11 Middle Neck Road, Great Neck, New York 11021. Our phone number remains the same, 516/487-6370.