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MSI is conducting....

....an innovative "You Can Do It" sweepstakes to promote their Omega Genera-
tion Portable Terminals. The company is asking end-users and OEM and System
houses to submit entries suggesting new ways in which the terminals can be
used. The gimmick is that the proposed application can be described for in-
stallation anywhere in the world and the prize is a round-trip vacation to that
spot to test out the idea.

Our only complaint is that in the examples presented by MSI they took away all
of our best ideas. We were all set to submit our entries describing the use of
the terminal to analyze the gold market in Hong Kong, study the migration of
wild animals on the African plain, or develop a winning system in the casinos
of Monte Carlo. Those are exactly the examples cited by MSI in their promotion
of the sweepstakes.

On another front, the company has made some announcements of a different sort.
Hard on the heels of naming Ronald G. Langford as the new Vice President of
Marketing and Systems Support for the Chase Computer Corporation division of
MSI, comes the announcement that "MSI Data Corporation said it is discontinuing
operations of its loss-ridden Chase Computer Subsidiary". MSI has been at-
tempting to absorb and reorganize Chase and has finally given up. The subsidi-
ary will be closed down with no prospects of sale as an operating unit.

Interface Mechanisms reported....

....sales of $10.2 million for their fiscal year ended March 28, 1980. This
was an increase of 51% over the previous year. Profits, however, were down 18%
to $863,000 ($.45/share) from previous year's earnings of $1.1 million (or
$.56/share).

The report from David C. Allais, President of the Lynnwood, WA company expressed
considerable optimism. He explained the drop in profits due to the "transi-
tion into a larger, stronger organization at considerable cost to earnings. In-
terface Mechanisms has hired and trained over 160 new employees, moved into a
32,000 sq. ft. facility and introduced a series of new products."

He further went on to express confidence in the company's future, indicating new
order bookings were unusually strong and good customer acceptance of their new
Model 9300 Bar Code Reader and 8220 Label Printer.

For those libraries....

....that have installed automated bar code scanning of books and borrowers' cards, Data Composition has been offering a label supply service.

The San Francisco company, a division of Arcata Company, is now servicing approximately 100 libraries, most of whom are using the CLSI System. The labels currently supplied use the Codabar symbology. The company currently has Code 39 under development for other applications. The bar code labels are produced on Videocomp equipment and are die-cut, adhesive-backed and ready to be applied.

The company offers various formatted labels with bar codes and related information on single, double or custom labels. They can also include OCR-A human readable identification numbers underneath the bar codes. The only direct competitor we know of for this type of label printing service for libraries is Computype (St. Paul, MN - SCAN Oct 78).

After admitting....

....Recognition Equipment Inc., as a member of the Automatic Identification Manufacturers, AIM has declared a moritorium on new members. The trade association has formed a Rules and Regulations Review Committee to take a careful look at the MHI by-laws and the AIM rules and regulations. They hope to come up with new eligibility requirements at their June meeting.

AIM is also proceeding with its program to assist the Distribution Symbology Study Group. The organization is preparing Uniform Symbol Descriptions and a Glossary of Terms to help establish standardized references for the industry. Proposed USD draft copies will be circulated to AIM members for comments prior to publication. Suggestion: AIM should consider soliciting comments from other groups as well, such as users, Film Master producers, LOGMARS, etc.

A new research report....

....titled "Data Entry Equipment in the 1980's" is now being offered by International Resource Development, Inc. (Norwalk, CT). Our attention was drawn to this new report, about new automatic data entry techniques, by the emphasis on voice recognition and optical character recognition and (judging from the table of contents and the promotional material) an almost total disregard of any bar code scanning techniques.

Comment

We suggest that this is a gross oversight. It is probably a personal prejudice, but OCR and voice recognition seem to grab more editorial space -- consumer and trade -- than what is perceived as the more mundane bar code scanning methods. The industry (non-retail) needs a more active P.R. program. Bar code scanning will certainly be used as a significant method for data entry systems in the coming years.

Symbol Technologies went public in June 1979....

....and raised $1.25 million after working for a few years with venture capital

funds. The scene was set for additional fund raising efforts at a special meeting of stockholders on May 27, 1980. At that time the company increased the authorized number of shares of common stock from three million to five million. There is currently outstanding 1.7 million shares.

The company has now filed with the SEC a registration relating to a proposed offering of 450,000 units, each consisting of one common share and a warrant to purchase one common share. Proceeds will be used for the "acquisition of capital equipment and other corporate purposes including additional research and development," according to their official statement. Bond Richman Co., Inc., and Sherwood Securities Corporation will act as representatives of several underwriters. The 450,000 units represents as additional 900,000 shares of common stock, or an addition of over 50% of its current outstanding shares.

As we noted in last month's issue....

....the Uniform Product Code Council has been considering the responses to their proposed modification to UPC Guideline 11 relating to pre-packaged random-weight items, such as meat and cheese.

Some of the objections, particularly from the Turkey Foundation and other trade groups, were strenuous enough so that the proposed modification was not approved at the May 5 meeting of the UPCC. The major objection relates to the coding of prices on frozen products. Some of these are packaged for inventory and the applicable prices for later delivery to the supermarket shelves are not known. Fresh packed poultry and cheeses are generally not affected and packers of these products found the proposal satisfactory. Almost all of the retailers also approved the new Guideline when it was circulated for comment.

The UPCC is preparing a new revision, to be circulated soon, which is expected to provide more flexibility and gain acceptance from all concerned.

Hi-Speed Checkweigher has just announced....

....a new single label UPC weigh-price labeler designed to reduce time and labor in the weighing and UPC labeling of random-weight cheese, poultry, meat and produce. The M-79 "prints the random-weight UPC bar code along with the weight, price per pound and total price all on one easy-to-read label." The manufacturer claims that the system is practically problem-free allowing random-weight packaging operations to run more smoothly and efficiently. The label is applied on top instead of on the bottom of the package eliminating scuffing, smearing and leakage.

Every UPC printed label from the M-79 is scanned and, if potential scanning problems are identified, packages are automatically rejected. The M-79 is reported to be compact, compatible with most types of packaging and wrapping machines with a minimum of moving parts. Packaging, conveying, weighing and labeling are all completely automatic with a digital keyboard making set up and change-over "quick and easy". The system has been installed and is operating at the McCadain Cheese Co., and at Publix Super Markets and case history details are available from the company.

Hi-Speed Checkweigher Company is located in Ithaca, New York.

We received one of the first....

....detailed time-tables for any of the supermarket chains in the UK and we were most interested in the outline for the future for scanning for Key Markets.

In a recent letter, S. R. Gale, Director, Information Systems, wrote about the 14 checkout lanes installed in the Spalding Store in October 1979 which includes bar coding of random-weight items. It is expected that new installations will go live in Romford, Essex in July 1980 and in Penge, South London in November 1980.

The supermarket chain also plans to install three additional installations during the spring/summer of 1981 in new stores under construction. All of the six installations will be using the IBM 3660 equipment, although the company indicates that they are exploring alternative suppliers.

Comment

Experience has shown that it is important for the supermarket chains to publicize their planned programs in order to encourage the product manufacturers to proceed more rapidly with the symbol marking of their packages. It is true that scanning efficiency is dependent upon a high percentage of source-marked products, but there has to be some front-end expense and risk by the chains to get the program moving at a more rapid pace.

We thought that the proposed Scantron....

....OCR reader, and its potential impact on supermarket scanning, was pretty much set aside late last year (SCAN Oct 79).

This is the unit, made by a German firm, that reads OCR-A information while the code is held momentarily over a slot scanner, and is represented as being the only omnidirectional OCR scanner available. Although there seem to be many reasons why this method would not be competitive with bar code scanning, one of the British journals saw fit to run an article on the unit headed "Can Scantron oust the bar code?"

Closer reading of the details indicates that it is doubtful that anything new was learned at a public showing recently and it remains more than doubtful as to whether or not there will be any signficiant impact on UPC/EAN bar code scanning systems. The disadvantages remain that the goods have to be held still over the scanner, it can only read up to 8 degrees from horizontal, it requires fairly clean and undamaged labels and it is slower.

We are calling attention to this matter once more, although we don't consider it a serious threat, because of confusion that might arise in certain circles with regard to any possible challenge this might be to established bar coding systems. It does sound like a significant advance in the state-of-the-art for OCR scanning.

The idea that retailers....

....might object to using scanners for the redemption of coupons was suggested by Donald Wert, Vice President of Selling Areas Marketing, (SAMI). In an inter-

view with Supermarket News the reporter drew the conclusion that Wert was infer-
ring that it would be more difficult for retailers to conceal coupon fraud if
scanners were used. Wert did not elaborate.

It is a suggestion that responsible retailers will certainly object to. A
specific case in point is the current campaign by Giant Food to eliminate cou-
pons completely. Giant maintains that they actually increase costs, and there-
fore prices to the consumer, that coupons are disciminatory, and that there are
enormous amounts of fraud associated with them (SCAN Apr 80).

As we have pointed out repeatedly, UPC symbols on coupons can be scanned and
recorded at the checkout counter. This would relieve the major costs and prob-
lems at all levels of coupon distribution and redemption.

Record monthly figures were again achieved....

....with regard to new installations of UPC scanners in the United States and
Canada. The new installation count for April 1980 was 144, bringing the total
to 1924 systems. By the time you read this, the significant bench mark of 2,000
scanning stores will have been passed. Tallying up the count for the various
hardware manufacturers:

| | Total As of 3/31/80 | | April 1980 | | Total As of 4/30/80 | |
Company	#	%	#	%	#	%
NCR	643	36.1	50	34.7	693	36.0
IBM	629	35.3	44	30.6	673	35.0
Datachecker	339	19.0	35	24.3	374	19.4
Sweda	114	6.4	6	4.2	120	6.2
DTS	49	2.8	9	6.2	58	3.0
DataCash/Sperry	6	.4	–	–	6	.3
Total	1,780	100.0	144	100.0	1,924	100.0

Have you noticed....

....that there seems to be a new attitude toward UPC scanning systems? We are
well out of the "Gee whiz" stage and are no longer seriously discussing whether
or not front-end automation is here to stay.

Retailers expect the system to work and have become hard-nosed about any factors
that might hinder scanning operations and efficiencies. Examples:

o Some scanning hardware manufacturers were taken to task and accused of
   stretching the truth and making promises they know they cannot keep, while
   debasing other vendors' equipment in an effort to sell their own. Les
   Jenkins of Associated Grocers in Seattle described such vendors' shortcom-
   ings as the cause of the majority of difficulties experienced by coops
   in the process of developing scanning systems. A. G. is primarily an IBM
   user (21 out of their 28 installations) and he specifically singled out
   Sweda, DTS and NCR. The hardware companies are not letting this pass and
   are responding with some heat.

o With the introduction of new scanners (SCAN May 80), and talk about Tokyo
   Electric Company and Nixdorff coming on the scene with new equipment,

the shares of market, which have been relatively stable over the past couple of years, may face some changes.

o Hannaford Brothers, a large West Coast wholesaler, charges their retailers $8,900 per checkout lane for installation, plus a weekly "scanning fee" of $325. Scanning is expensive, they say, and they must charge to support the systems. They are learning that scanning is important to the wholesaler and the retailer and they are now in a better position to evaluate costs and benefits. In a related comment, during a panel discussion at the FMI meeting in Dallas, Richard Shulman cautioned that "Scanning won't reduce your labor costs and nothing is more critical and less automatic than the maintenance procedure of keeping your scanning files up-to-date."

o The Food Marketing Institute, and manufacturers of verification equipment such as Symbol Technologies, have been raising the spectre of high reject rates at the checkout counter and pushing for more accurate data and corrective measures. It is still too early for the UPCC program for monitoring these rejects to produce any meaningful results.

Comment

Although some of the above has a negative connotation, we believe it is a most healthy trend in the maturing of the industry. The continued growth of UPC seems assured. The present rate of growth is rapid and suggests that the anticipated target of about 12,000 stores may be achieved before 1985. By that time, second generation equipment for smaller stores will most certainly be available, kicking off a new industry expansion.

With thirty of the top 100 records....

....showing the UPC symbol on their jackets, the National Association of Recording Merchandisers feels that the program is moving along toward achievement of its goals for automation of record handling.

The NARM Operations and Information Processing Committee held its first meeting on May 19 and issued the following statement of objectives, "The purpose is to research, develop and encourage the implementation of operational procedures and information processing in order to promote the simplification and improvement of communications within the recording industry". Included in this program, among other items, is the goal "to promote Uniform Product Identification by manufacturers including the adoption of UPC/bar code systems."

By the end of the year, it is expected that some of the major producers will be scanning returns in their warehouses and many of the rack jobbers will be doing the same with inventory, shipments and returns.

MEKontrol has announced....

....a new miniature photo-electric control that is completely self-contained for retroreflective operation. The new miniature control utilizes a modulated LED light source and is designed for industrial applications "where ruggedness, vibration resistance, noise immunity and ambient light immunity is a must."