



# newsletter

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

SCANNING, CODING & AUTOMATION NEWSLETTER • 11 Middle Neck Road • Great Neck, N.Y. 11021 • (516) 487-6370

## INTERNATIONAL EDITION

ISSN 0273-3080

Volume II Number 2

December 1983

### Unlike other countries,....

...Japan does not treat OCR as a competitive machine readable technology to the EAN bar code (called JAN in Japan). In fact, the Japanese EAN affiliate, the Distribution Code Center (DCC), has the responsibility for both technologies. It has designated JAN bar coding for food and grocery-type systems, and OCR-B for clothing-type systems. The terms "grocery" and "clothing" are used as broad category terms. The DCC has specified the machine readable technology appropriate for each product type; for example, OCR-B has been designated for use on books. National standards were established for the JAN symbol in 1978 and for the OCR tag in 1980.

At the last count (Sep 83), there were 2,300 stores using JAN scanning and 600 stores using OCR-B. Of a dozen leading EPoS terminal suppliers, 9 offer the choice of OCR or JAN scanning, 2 offer OCR only and 1 offers only JAN data capture.

### Comment

*We have no indication of the comparative success rates for scanning the two technologies, but the number of installations and the choice of equipment must be an indicator that both systems work. It is likely that the wide choice of equipment, and any technological development into OCR-B reading, was instigated by the Ministry of International Trade and Industry (MITI) which is generally the power behind most of Japan's new technology.*

*Compared with the experience in other countries, Japan's success with OCR-B technology is remarkable and raises a number of questions: have the Japanese developed new techniques of character recognition, since it is generally accepted that OCR-B requires more rigorous decoding than OCR-A? Is the OCR-B tag standard (JIS B 9551) different from other national standards and is there a higher conformance to that standard? How is the problem of cross-over brands -- those sold in the "grocery" and "clothing" sector -- dealt with?*

*We await word from our Japanese correspondents.*

### The first SAANA Newsletter....

....was published in October. The South African Numbering Association (SAANA... the extra A stands for "Article") has been a member of the International EAN

Association since 1982 and did not start to allocate manufacturer numbers until January 1983. So we can follow progress from the very beginning of the EAN system in that country.

Membership has reached 180 with the following breakdown: manufacturers - 110; wholesalers - 5; retailers - 13; POS vendors - 5; other suppliers - 8; and associations - 39. The progress on source marking is monitored from monthly information provided by film master suppliers who report that 800 products are bar coded or are in the process of being bar coded. A survey among manufacturers suggests that about 3,000 products will be source marked by the end of 1984.

Among other points covered in the SAANA Newsletter were: ● EAN-8 bar codes are issued centrally (SCAN/IE May 83), to strict criteria. So far 142 products have been allocated short numbers. Not all these products have been bar coded. ● Advice is given about truncation -- basically don't. ● Details of the South African outer case code are given (next month we shall cover a fuller EAN round-up on this subject). ● Discussions are taking place about automated warehousing systems.

#### The growth of EAN retail scanning....

....continues, according to recent information received from some of the national coding authorities. In some cases very detailed information is provided; in others the barest essentials. We give below the best data that is available:

#### Scanning Stores

	<u>Jan 83</u>	<u>Recently</u>	<u>(As of)</u>
Japan	914	2300*	(Sep 83)
Germany	69	155	(Nov 83)
United Kingdom	42	71	(Nov 83)
Belgium	41	58	(Oct 83)
Australia	15	33	(Oct 83)
Luxembourg	12	14	(Oct 83)
Other countries	<u>150</u>	<u>150</u>	(Estimated)
Total	1243	2781	

(\*The totals from Japan include 1750 Seven-Eleven stores, each with two check-outs using hand-held scanners (SCAN/IE May 83, Apr 83). Since this comprises over 63% of the total number of stores for all EAN countries, direct comparisons based on these figures may not be appropriate.)

The number of German scanner installations has broken right through the 3 figure barrier during 1983. Centrale fur Coorganisation (CCG), the German EAN affiliate, reports a number of companies who are well beyond the testing stage:

- 12 of Tengelmann und Tegut's hypermarkets
- The food departments of 25 Karstadt department stores
- 19 outlets of DM, the 345 strong German and Austrian chemist store chain
- 4 Hurler hypermarkets each with over 50 scanners.

The German department stores have been more aggressive than those in the UK (SCAN/IE Aug 83) in backing the EAN system. Karstadt, Hertie and Kaufhof have

already gained the experience of scanning and have decided to adopt EAN bar coding in their non-food departments. German fashion manufacturers have accepted EAN-13 bar coding for each colour/size variant. Karl Heinz Hagen, of the CCG, reports that this will have a considerable positive impact on the decisions in other non-food sectors suggesting that the department store sector is a force to be reckoned with in the CCG. (Not incidentally, Hans Sternberg, representing the Hertie company, is president of the CCG board.)

CCG has also published its draft standards for computerised ordering and invoicing. This is part of the SEDAS system of electronic communication sponsored by CCG. Pilot schemes for the ordering system are about to start. The SEDAS invoice system has been running for some years with 6 trade organisations and nearly 100 manufacturers exchanging magnetic tapes to national standards.

#### Italy now has its own....

....domestic film master generating operation. Bancolini srl, a company well established in the print supply and graphic arts material business, has recently installed an RJS Enterprises' Codemaster generating system. According to Giampiero Castelli, General Manager, the first symbols were produced and shipped in late August. Not only does he expect to supply the Italian market place, but plans to export to neighbouring countries. Bancolini srl, Via Mazzini 152, Bologna, Italy; Italian 'phone: (051) 39 29 43; Telex 216018.

#### The founder of....

....Kings Town Photocodes Ltd. (Beverley, Yorks England) has decided to step down from the day to day running of the business. In other industries this might not be internationally and commercially significant. The bar code industry in the UK, however, is young enough to see Bert Best not just as founder of Kings Town, but also as a founding father of film master production and article numbering in the UK.

Kings Town Photocodes was established in 1977 when the EAN system was just breaking its teeth. Bert Best had the perception to see the potential and brought to the bar code industry considerable skills and experiences in reprographics and engineering. In 1981, Kings Town became the first UK company to have its own film master production facilities.

During the period of expansion, Bert built a team around him at Kings Town Photocodes, a team that he wanted to see continue the successful operation. In his words "I have been fortunate in having younger colleagues able and willing to take over." He has sold his entire interests equally to Harry Clark, who succeeds as Managing Director, and Chris Swindin, Sales and Marketing Director. They own, and will run, the company jointly.

Bert Best has been retained as a consultant to the company for a long term period. He retains his interests in Kings Town Engraving and Parker Polymers.

#### Over the past few months....

....various discussions have been taking place in the USA and in Europe with a view to creating some form of international bar coding organisation. The

Automatic Identification Manufacturers, Inc. (AIM) trade association is the only existing organisation dedicated to this technology.

In America, AIM has grown from strength to strength. It has proved itself with SCAN-TECH '83, is now incorporated in its own right and has set up its own Technical Symbology Committee. These are remarkable expressions of its self-confidence and strength. But there remains the significant weakness that AIM, Inc. may remain exclusively American in membership. Under its present constitution full membership is restricted to manufacturers with facilities in the USA. Other suppliers may be able to participate as associates.

At this time, it would be difficult to establish an organisation of equivalent stature in Europe since there are just not enough European manufacturers. But since the basic technology is the same everywhere, as is the need to rationalise the plethora of symbologies, it would be only a matter of time before a similar organisation were to be established outside the US. It would be ludicrous to exclude AIM members from such an organisation, but US companies rarely manufacture in the European market place and, using the AIM set of rules, they could be excluded.

Comment

*We heartily endorse a prime industry effort to organise internationally. The worst thing to happen would be for AIM, Inc. to be excluded, or exclude itself, from such an international movement. Similarly, European patriotism could act as a barrier if AIM took the route to simply establish a new category of "non-USA manufacturers" and no organisation were set up in Europe. We also recognize that it would be foolhardy to form a purely European body. We feel that Europeans have much to contribute, but the majority of technological developments still come from the United States. A move to create a federation of independent organisations might be a step in the right direction.*

*We have used our privileged position to air our views. Potentially competing discussions have been taking place about organising the industry, and we recognise that, by their nature, early discussions are not intended to be broadcast. We have respected their confidentiality, but consider it appropriate to add our own comments as interested observers. We reiterate the prime goal to those who are discussing potential organisations -- international cooperation. The stakes are high, the benefits could be enormous.*

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\* NEWS FLASH -- Paris, France    2 December 83 \*  
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\*        At the special general meeting of the International Article Number- \*  
\*        ing Association EAN, Hungary and Israel applied to be members of the \*  
\*        International EAN Association. Their requests were granted and \*  
\*        their membership becomes effective from 1 Jan 84. \*  
\* \*  
\*        In addition, contractual agreement is about to be reached to enable \*  
\*        the International Standard Serial Number (ISSN) to be incorporated \*  
\*        into the EAN-13 bar code (SCAN/IE 83). More news on these and \*  
\*        other EAN items in the next issue. \*  
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