



newsletter

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

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Whatever happens about....

....establishing an international bar coding organisation (SCAN/IE Dec 83; SCAN Jan 84), plans are definitely going ahead to schedule a SCAN-TECH/Europe show.

The Automatic Identification Manufacturers Inc (AIM) is planning to sponsor and provide some funding for the event. Ed Andersson, President of AIM, says that AIM wants SCAN-TECH/Europe to be by and for Europeans; i.e., presentations by users and vendors to be European wherever possible, displays to be mounted by vendors operating in Europe, and so on.

A steering committee has been established to provide a balance between European companies and US representatives, a balance between vendors of reading equipment and bar code printers, and a balance across the broad national markets. Paul Berge, Symbol Technologies International, is chairman of this group and would like to hear people's views and ideas.

When asked why SCAN-TECH/Europe should be planned before European trade organisations are incorporated, Berge came up with an interesting view: SCAN-TECH/Europe will require organisations from different countries to work together, and the need to cooperate, to achieve a singular goal, could forge useful working relationships. This pragmatic approach, according to Berge, may lead naturally to the formation of an AIM equivalent in Europe.

Comment

It looks as though the show is on the road. Although some may have reservations about launching SCAN-TECH/Europe before a trade organisation exists, and about the ambitious time-scale, the time has passed to discuss these points. It is up to all organisations to put their weight behind the show and give it whole-hearted support.

The statement from Ed Andersson is of paramount importance: "SCAN-TECH/Europe to be by and for Europeans". It will not be an American trade delegation. It will not be an American export drive. Although it would be naive to think that there were no American interests, a broad European representation should insure that everyone gains. It should include European manufacturers, distributors, and creative system builders, with generous, but not dominant, assistance from the US.

SCAN-TECH/Europe deserves to succeed. It must, if it is to be seen as representing a growing industry having faith in its future. Good luck to its organisers.

Paul Berge, Symbol Technologies International Inc, rue Gachard 51, Bte 19, 1050 Bruxelles, Belgium; Belgian telephone: 02/640 92 32; Telex 64959.

We had hoped to stir up....

....the POS equipment vendors when we raised the problem of the one-way compatibility of the EAN/UPC system (SCAN/IE Aug 83; SCAN Sep 83). We did receive a detailed statement from John Griffith, Product Manager, Spectra-Physics Laser Systems Division. It's worth quoting excerpts:

"I was surprised to hear that the generally held perception in Europe is that slot scanners do not currently read both EAN and UPC on the same machine. This is not true... During my recent European visit, I found POS users, POS vendors and coding authorities with the same false belief that the slot scanners will not read both UPC and EAN interchangeably. A number of these people were told of this lack of interchangeability by their POS vendor. Many had read of this lack of interchangeability in SCAN Newsletter."

What we said (SCAN/IE Aug 83) was:

"A most frustrating feature of the EAN/UPC system is its one-way compatibility. UPC-A and UPC-E bar codes can be read on EAN scanners, but EAN-13 and EAN-8 symbols cannot be read on most installed UPC scanners."

For absolute precision, we might have said "checkout" instead of "scanners", but that is somewhat academic. Let's make no mistake about this: the problem really does exist whereby EAN symbols are considered unacceptable in the North American market place.

According to Griffith, the facts about Spectra-Physics Model 750F scanner are these: "Each and every one of the S/P Model 750F scanners (Approximately 35,000 sold to date) has been able to read and decode both UPC and EAN interchangeably! There are no special wires to change, no special programs, just plug it in and it reads both! This means that nearly half of all scanners installed in the world today are backwards compatible".

Although this is good news to hear, it does not come as a surprise, nor does it change the situation as it exists at the US/Canadian retail level. We were careful to stress that UPC symbols were being read in the EAN community without any problems. This is true for all scanners (since UPC is really a subset of EAN). It is now clear that the Spectra-Physics scanners are the same whatever the market.

So, apart from early models (such as Sweda's Model 6000), the inability to use scanners for reading both UPC and EAN symbols in North America seems to be associated with the POS equipment: either in the software to handle the decode and PLU file structure, or in the advice given to retail customers about their application software file structures. By all accounts, it's about time the vendors of POS equipment issue definitive statements about the costs and procedures necessary to accomplish compatibility, and to get on with it.

A roundup of recent business activity....

- As expected (SCAN/IE Oct-Nov 83), Hugin is now under separate ownership from the Swedish Electrolux group. About 30 institutions, in the UK and overseas, have stakes in the company, valued at £13 million. The management's share, at 14%, is slightly higher than expected. International headquarters transfer to London, David Pope continues as chief executive, while Michael Shanks, also chairman of the National Consumer Council, comes in as chairman.
- Nixdorf Computer, the largely family-owned German Company, with overall 1982 turnover of 2.3 billion DM (\$840M), is making an aggressive bid for a larger share of the European POS market. It has released figures which show that it has 14,000 of its intelligent POS terminals installed in Europe. In Germany, its market share has grown from 26% to 35% in the last year. In the scanner sector, where Nixdorf's Model 8812 terminals are used, its share of the German market has gone from 16% to 34%. Revenue from the retail sector has increased considerably, from 15 million DM (\$5.5M) in 1982, to possibly exceed 100 million DM (\$36.6M) by the end of 1983. From a recent conversation with a Nixdorf executive, they see considerable growth in scanning installations in 1984 in the supermarket and general merchandise sectors. The company's 1984 target for installations of intelligent POS terminals (not necessarily linked to scanners) is an additional 11,000 for all of Europe. A number of these, like the first phase of the 280 strong Nanz chain, will be linked to scanners.
- A business back in British ownership is Microsell, an up and coming POS equipment supplier. The company just landed some larger contracts, including the one with Hughes TV & Audio (SCAN/IE Oct-Nov 83) and, more recently, the 100 strong Scottish electrical retail chain, Clydesdale. A management buy out, backed by the British Technology Group and venture capitalists Armour Trust and Alan Patrikoff Associates, has cost £500,000. Mike Bieliniski, managing director, reports that the company is poised for enormous growth because of the Microsell philosophy of tailoring systems to retailers' requirements.
- Dataport Microsystems is the new business resulting from the September merger of the Data Recognition Division of APT Electronics Ltd and UCSL Microsystems Ltd. Both companies previously operated at different ends of the portable terminal equipment market and both product ranges are being retained. Dataport Microsystems is a wholly-owned subsidiary of the £115 million turnover Unitech PLC group. Its new address: Dataport Microsystems Ltd, Dataport House, Icknield Way, Tring, Herts, HP23 4JX, England; UK phone: (044282) 6634.

A controversial item price-marking bill....

....looks as if it has been delayed beyond the next Victoria, Australia state election. In October, Mr. Spyker, Consumer Affairs Minister, came under heavy criticism from the Australian Product Number Association (APNA) for pressing on when other Australian states and Territories have, to quote the APNA, "adopted the sensible approach of monitoring the success of the code of practice (SCAN/IE Jun 83) before considering legislative possibilities?" The harsh realities of politics spiked the Spyker bill when his Liberal and National Party opponents (who have a majority of the Upper House in Victoria) announced that the bill would be blocked if it reached the Upper House of Parliament.

Other news from Australia: membership of the APNA has reached the 1,000 milestone, just a few weeks before the APNA's fifth anniversary, and the number of scanning stores has reached 41 (Nov. 83). The breakdown by vendor:

	<u>Dec 81</u>	<u>Dec 82</u>	<u>Nov 83</u>	
	#	#	#	%
DTS	-	5	24	58.5
NCR	4	8	15	36.5
IBM	-	1	1	2.5
TEC	-	<u>1</u>	<u>1</u>	<u>2.5</u>
TOTAL	4	15	41	100.0

To conform with a new....

....international specification, we may have to change the way we present the bar code on the first page of each issue of SCAN Newsletter. That bar code represents the International Standard Serial Number (ISSN).

A contract, between the organisation responsible for administering the ISSN and the International Article Numbering Association EAN, should be signed early in 1984. The contract requires that the ISSN be shown in association with the EAN bar code. The code will consist of the prefix 977, followed by the ISSN (without check digit) and a 2-digit "special use" supplementary code, similar to the one used in American magazines to identify the issue number.

There has been a long debate about how to cope with regular (inflation-based) price changes. The changeover is difficult to administer at store level where the old issue at the lower price can be on the shelves simultaneously with the new issue at a higher price. Proposals from the UK to change the two 'special-use' digits at every price change were accepted by the International EAN Association, on the basis of separate national trials, for a two-year period. This system will be accepted as standard if no difficulties arise.

Symbol Technologies International,....

....the Belgian-based branch of Symbol Technologies Inc, is very bullish about sales in the immediate future. It reports that sales volumes will double those of the current financial year. Growth will come primarily from sales of the Laserscan 7000. To exploit the international market for this product, new distributors have been appointed in recent months in Australia, France, Japan, The Netherlands and South Africa.

Paul Berge, General Manager, comments: "Whole new market areas are opening. In Israel our systems can be seen in avocado packing plants. In Australia they are even thinking of bar code tagging sheep for grading, tracking and numbering purposes."

Comment

It gives an entire new meaning to "baa coding".