



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

Volume I Number ~~3~~⁴ **INTERNATIONAL**  **EDITION**

ISSN 0273-3080

February 1983

Up-to-date and accurate information....

....on retail automation has been sparse from Japan. We do have some interesting statistics and other activity reports that are reasonably current:

- As of the end of November 1982, the total number of scanning stores is reported to have reached 217. The official EAN figures for October 1982 were presumably incorrectly reported as 120 stores (SCAN/IE Jan 83).
- Over the last year or so, American and European retailers have been offered the Fujitsu scanner, the TEC POS system and the TEC HS-100 hand scanner from Japan. Each is making its impact. Now we hear that Sharp is about to launch a POS terminal with an EAN scanner into the European market. It can exist as a single stand-alone system or a master/slave configuration with as many as 64 terminals. Sharp are well established suppliers of electronic cash registers, but this would be their first move to more sophisticated systems in Europe.
- The Japan Distribution Code Center is not only responsible for the promotion of EAN bar code POS systems, but also for OCR based systems. Two Japanese Industrial Standards have been established: B-9550, JAN bar codes for food and grocery; B-9551, OCR-B for clothing tags. Retail sectors appear to have been officially split between the two systems, similar to the US situation, but some, like bookselling, have expressed an interest in both.
- The Japanese EAN coding authority, Distribution Code Center, is interested in promoting source-marking on all export products. To quote from one of their documents "In the event that you find any products not source marked from Japan, refer the manufacturer to us."

Executive Director, Distribution Code Center, Distribution Systems Research Institute No. 3 TOC Building 7-23-1 Nishigstanda, Shinagawa-ku, Tokyo 141, Japan.

Scanning installations in Belgium....

....have increased considerably during 1982. The latest figures from the Institut de Codification Fabricants (Icof) show that the number of installations has almost quadrupled in less than a year. The breakdown by front-end system suppliers:

	<u>Scanning Stores As of</u>	
	<u>Jan. 82</u>	<u>Sept 82</u>
DTS	10	31
Sweda	--	3
TEC	--	2
NCR	--	1
Sycron	--	1
TOTAL	<u>10</u>	<u>*38</u>

(*Includes 2 stores in the Grand Duchy of Luxembourg.)

Although DTS no longer has a monopoly of installations, they are still dominant. This is mainly due to the fact that their equipment is widely, but not exclusively, installed in the 22 Nopri supermarkets which are scanning.

Of the other retailers' outlets, two are of particular interest. The Sycron equipment (new to us) is installed in the smallest outlet. This is a 300 sq metre "superette" with a single checkout. The largest installation is also unusual. The Tax Free Shop at Zaventem Airport, dealing with the usual range of luxury items, has 25 DTS terminals using light pens for data capture.

Another special EAN specification....

....is in the offing. Plans are well ahead to link the International Standard Serial Number to the Ean bar code. The ISSN is an 8-digit number used to uniquely identify the title of a serial publication such as a periodical or magazine (for an example look at the first page of this newsletter). The link is as follows: prefix 977, ISSN without its check digit, two filler digits, and lastly the EAN check digit. Our own ISSN, as an example, would be encoded as 977-0273308-00-4; (the hyphens are shown here to clarify the structure but the bar code format is conventional EAN-13). The issue number is encoded within an add-on 2-digit supplementary bar code, identical in structure to the one appearing on American magazines. The filler code identifies such things as special issues, (eg double Christmas issue), daily editions of newspapers and other features.

The technical specification has been on ice for a couple of years. Contracts have been drafted between the International Article Numbering Association EAN and the Centre International d'Enregistrement des Publications en Serie. A few, but critical, points have still to be resolved including some other uses for the filler digits. Various top level EAN meetings are taking place in January and February to sort things out.

Like the ISBN/EAN coding (SCAN/IE Jan 83), the ISSN can be directly machine readable in an OCR font. Some countries may adopt the dual standards, others will settle for EAN bar coding. The UK industry is all set to move and publish its own specification once formal EAN approval exists. Some Spanish publishers have not been so patient and have jumped the gun. The new code is being ordered from film master suppliers and appearing on periodicals.

It required a long-term view....

....to achieve point-of-sale scanning in the non-food sector. This is the belief of John Read, Retail Group R & D Manager of W H Smith, the UK variety

store chain. W H Smith was a founder member of the Article Number Association (the UK EAN authority) and the first non-food retailer to set up a permanent EAN scanning installation in the UK. Now the company is preparing to move forward even more aggressively in automating front-end operations.

W H Smith has just increased its commitment to scanning. It has announced that 30 of its 350 stores will be scanning by 1985 and probably all by the end of the decade. That is not to suggest that they are being idle this year. Retail Group management structures have been revised to reflect the changeover and the future. Line managers have been pulled out from their departments (buying, selling, accounting, inventory, management services, etc.) to be full-time members of a team redesigning all Retail Group systems. The original Portsmouth trial system is being made more sophisticated, already with reasonable success in automatic stock replenishment -- even of fashion lines.

It was back in September 1980 when W H Smith started to track the sales of every long-playing and single record they sold. Faith in the future must have been, and remains, a keynote of this project because there is still no source marking of records in the UK. (Editor's note: but it's on the way.) W H Smith used a three-pronged approach:

- Lots of effort and support to get major industries converted to EAN. Sometimes this required involvement in the design of special EAN specifications -- ISBN/EAN for books (SCAN/IE Jan 83); ISSN/EAN for periodicals (SCAN/IE this issue).
- Long drawn technical discussions with equipment suppliers to meet the needs of general merchandise retailers.
- Quietly getting on with the job at the Portsmouth trial store. More departments and product lines were added through 1981, for a total of 13 cash points with light pen data capture and 23,000 price look-ups. (This excludes most books where each transaction is recorded, and periodicals and cards where in-store labelling is too expensive).

Until now product suppliers have not been under any real pressure, but letters have recently been sent to over 2,000 suppliers outlining W H Smith's plans. As one of the top three UK retailers for nearly all the products it sells, it should have some influence. The efforts of this one chain could considerably increase the ANA's membership and have a spin-off effect on many other retailers.

One UK periodical publisher....

....cannot wait for the ISSN/EAN specification to be available. But a respected periodical like The Economist must abide by the rules. So from the 5 February issue, the UK edition will carry a UPC bar code and an editorial feature on bar coding. Once the ISSN/EAN bar code becomes available, The Economist will switch over.

The reason for the rush: The Economist wants to computerise its returns processing system -- even as a single title publisher -- and use the bar code as the source for data capture. They want to credit particular issues and adjust raw despatches to get more realistic sales figures. A number of copies are bought by casual purchasers or for special features. The Economist editorial staff want to have accurate information sooner. They're dreaming of the day that they can get the sales data directly from the retailers' systems.

You don't have to be....

....a retailing giant, however, to derive the benefits from scanning. Derek Robinson, owner of Bluebell Books in Penrith, England, has only one store. This enterprising bookseller has written his own programs for his stock control system. His next project is to develop a system to control his 15 successful school bookshops. These stock a limited range of titles, which are supplied, in effect, on a full sale or return basis. Every consignment has to be checked out and the unsolds taken back into stock. Robinson reckons that "the machine readable code for books will be a godsend".

Bar code labels are likely to....

....appear on many individual consumer electronic devices in the UK this year. Interservice Electronics Ltd has contracts to service consumer electronic equipment for UK retailers, most of which is marketed under the retailers' own labels. The bar coding application is fairly conventional. Each individual product and guarantee card will be given a unique bar code label as the product is sold. With the agreement of Interservice's retail partners, it may use EAN-13 in-store labels, so that equipment being returned for service can be logged in at any retail outlet and tracked through the system. The retailer will be able to use his retail data capture equipment and at very little cost have a control system.

A major TV and Video rental organisation is also considering a similar approach for every television and video unit on rental. Both proposals are based on the same principle; using bar coding to log, track and provide the basis for full historical data of faults and repairs of consumer electronic equipment.

A new rugged industrial bar code terminal....

....has been announced by Intermec Europe. The Model 9341 is built for robust industrial use and variable data can be entered through the keyboard even if the user is wearing heavy gloves. Various Intermec pens can be connected to the unit. One feature is that various controls, like baud rate, are software set. The exclusion of switches reduces the risk of tampering.

Intermec Europe, Langgasse 22, D-6392 Neu Anspach 1, West Germany; FDR phone 06081-7091. Also from Intermec's own offices in France, Germany, Switzerland and the UK, and agents elsewhere.

There are not many devices....

....on the market which read the EAN supplementary codes. So it will be good news for some to know that the latest on-line bar code reading terminal from Plessey has this capability. The Model 1140 reads all popular bar codes bi-directionally including all versions of EAN and UPC with 2 or 5 digit supplementary bar codes. The device can be switched from single code to multi-code reading and, typical of Plessey devices, has various check digit options. Plessey give an end user price indication of £450 max for one off.

Plessey Office Systems Ltd, Sopers Lane, Poole, Dorset, BH17 7ER, England; UK phone (020 13) 5161.

SCANNING, CODING & AUTOMATION NEWSLETTER. 11 Middle Neck Road • Great Neck, N.Y. 11021 • 516/487-6370
Published monthly. PUBLISHER/EDITOR: George Goldberg; CIRCULATION DIRECTOR: Teddy Allen.
INTERNATIONAL EDITION EDITOR: Paul Chartier • 15 Fairford Crescent • Swindon, Wiltshire SN2 3AB England • (0793) 72394
