



# newsletter

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

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### The latest market share....

....information on scanner installations in Germany shows what a difference a year makes.

	Nov 82 Stores		Nov 83 Stores		Nov 83 Checkouts	
	#	%	#	%	#	%
IBM	26	34.7	62	37.1	616	44.8
Nixdorf	12	16.0	53	31.7	422	30.7
NCR	18	24.0	22	13.2	209	15.2
DTS	16	21.3	18	10.8	77	5.6
Litton/Sweda	--	--	8	4.8	29	2.1
ICL	2	2.7	2	1.2	4	0.3
ADS Anker	--	--	1	0.6	15	1.1
ASYS	<u>1</u>	<u>1.3</u>	<u>1</u>	<u>0.6</u>	<u>2</u>	<u>0.2</u>
TOTAL	75	100.0	167	100.0	1374	100.0

Nixdorf, the German-based computer company (SCAN I/E Jan 84), achieved the number one position in respect to last year's installations -- both in terms of stores (41) and scanners (333). IBM was nudged into second place for the year (36 stores) but retains its overall lead in terms of the total installed based. The real losers, in 1983, appear to be NCR who added 4 stores (25 scanners) to its total, and DTS with only 2 new installations (6 scanners).

Ten retail chains now have 5 or more scanning stores. In total, these stores account for nearly two-thirds of all German installations. Four of these retailers are each using two equipment vendors. There appears to be a definite shift to Nixdorf equipment by Karstadt and by Tegut. As we mentioned recently (SCAN I/E Dec 83), some German retail chains are beyond the testing stage and corporate purchasing is likely to be an increasingly important determinant of the success of equipment vendors.

### Latest information from GENCOD,....

....the French EAN affiliate, shows that the number of scanner installations in France is running neck and neck with those of Germany: Jan 82 -- 14; Jan 83 -- 51; Dec 83 -- 176.



Exactly like Germany, there are 10 retailers each with 5 or more scanning stores, accounting for nearly 70% of all French installations. Two supermarket chains account for 50 installations: Codec with 28 and Leclerc with 22 stores. Five of the Montlaur outlets are hypermarkets; the smallest has 20 scanners, the largest 40 scanners. The Mazamet outlet has 20 slot scanners plus some light pens; the other 4, and larger, hypermarkets use light pens for data capture. This is not unusual in France where installations with slot scanners are in the minority. The most popular reading device is the light pen, but other hand-held devices are becoming popular. This is true across all the retail sectors, including grocery, and not limited to general merchandise outlets.

An associated feature to be observed in France is the higher than average proportion of truncated symbols. It is not clear whether this source marking variation was influenced by the fact that all the early installations used light pens. It would also be useful to know whether the extent and popularity of truncation is a serious disadvantage to those retailers scanning; and whether the existence of truncation has made the use of hand-held devices a self-fulfilling prophecy.

France has the most diverse types of retail outlets adopting EAN scanning. There is the usual range of grocery outlets: the small superette, the supermarket and the Hypermarket. There are also a number of convenience stores. It is in the general merchandise sector that there is the greatest variety of specialist outlets: auto accessories, a self-service book shop, book distribution centres, a cosmetic and perfumery store, self-service shops at TOTAL filling stations, shoe and sports shops.

#### Mothercare, the UK retail chain....

....which caters to the clothing needs of the expectant mother through to the school-age child, has just started a six month EPoS trial in four of its stores (St. Albans, Watford, Ilford and Brent Cross). Data capture will be from bar codes printed onto labels and tags or source-marked on some pre-packaged merchandise. As Mothercare only sells own brand products, there were no industry constraints, and the company decided to use interleaved 2 of 5 symbols. Products were already bar coded for a previously installed stock ordering system. Bar codes are also printed throughout the company's extensive catalogue.

The EPoS system is fully integrated, covering the front of store sales transactions, in-store replenishment of shelves and full inventory control. One executive described their launch at St. Albans as "the non-event of the year; customers and staff took it all in their stride, but this was the result of lots of hard work and planning".

The system runs on IBM 3683/3684 terminals. Mothercare has extensively rewritten the application software for most of the trading routines. As estimate of the cost of extending the system to all 210 UK stores is £4 million (\$2.8 million). It is not clear whether the system will apply to Mothercare's European and American stores.

About 1.25 million labels are required every week to service all the Mothercare stores. The contract for providing these has been won by Image Data Systems (IDS). Two main forms of order entry are used to produce the computer generated bar code labels: directly from information on magnetic tapes provided by Mothercare headoffice, and an order entry system which allows Mothercare suppliers to access IDS' files. The most common label -- the jiffy label -- is typically



carried in the recessed area of a plastic coat hanger. The self adhesive label carries a bar code, product number, price and size; colour coding is used for easy recognition.

#### The EAN "directory"....

....of vendors of film masters and bar code related equipment has grown so much in size that it takes up most of the December 83 EAN Newsletter. The table below, shows the change in the number of entries under each heading.

<u>Equipment or Service</u>	<u>Oct 82</u>	<u>Dec 83</u>
EAN/UPC Film Masters	80	108
Bar code printers/labelling machines	49	137
Combined scales - bar code printers	21	61
Industrial scanners	13	45
Check-out reading equipment	105	216
Portable terminals	26	44
Verifiers	<u>33</u>	<u>73</u>
TOTAL	<u>327</u>	<u>685</u>

The differences are due to many factors, including a larger base of countries, and the inclusion of key organisations previously omitted. As with the earlier list, some organisations appear under more than one heading; some businesses are listed as before, others are included under new headings either for clarification or because they have truly diversified. But the over-riding reason for the increase in the size of the list is that there are more businesses out there who reckon that the EAN bar code market is worth competing over.

As before, Etienne Boonet, Secretary General of the International EAN Association would welcome updates from any supplier in the EAN or UPC domain. Copies from: International Article Number Association EAN, rue des Colonies 54, Bte 8, 1000 Bruxelles, Belgium.

#### While the book trades of....

....many countries are heavily concerned with two issues that we have been reporting on lately: (the choice of OCR or bar code data capture, and EAN/UPC compatibility), some important decisions have recently been made in the UK.

The Blackwell Group, the Oxford based booksellers and publishers, has had a major re-think about which technology to use for data capture. A few months ago, the Sheffield and Exeter stores installed EPoS systems based on OCR-A data capture. The system did not work as well as expected or promised. Commenting on his reaction to OCR-A, and in particular the support for it in some retail sectors in the USA, Julian Blackwell, Chairman, says bluntly "OCR-A was not tested where it matters most -- at the retailer's cash point". Blackwells adopted OCR-A for various reasons, including the fact that it is the chosen technology of the American book trade. Fortunately the switch to EAN bar coding is not too difficult to make because the UK standards for machine readable technology for books provides both OCR-A and EAN bar code (SCAN I/E Jan 83).

The Blackwell Group is also disappointed with aspects of its first EPoS system. with 53 stores, it is an attractive account to have, but not large enough to




have yet established its own EPoS expertise. So the company took advice. The way it now values that advice, which resulted in the Exeter and Sheffield systems, was summed up by Julian Blackwell: "In some respects it was a total disaster".

In September, Blackwell executives went "window shopping" and spent all 4 days of the EPoS Conference looking at systems. They selected 12 potential suppliers. Next month, they will announce details of the EPoS equipment supplier for the 8 Georges Bookshop chain in Bristol.

Like W. H. Smith (SCAN I/E Feb 83), the Blackwell Group is now about to use the EAN bar code for data capture. W. H. Smith had the foresight some years ago to predict the extension of the EAN system beyond the grocery sector. Blackwell's re-think is more profound in some ways. The stores in the Blackwell Group are specialist book shops selling scientific and academic books in some quantity, so the decision adds weight to the diffusion of the EAN system well beyond items sold in supermarkets.

#### Clarification and up-date....

....to our International Standard Serial Number (ISSN) item last month. The structure of the EAN-13 code is best explained with an illustration:

ISSN 1234-5679	977 : EAN prefix allocated to ISSN
	1234567 : ISSN without its modulo 11 check digit
	00 : Two special use digits, e.g., to indicate double issues or to change with regular price increases
	3 : EAN check digit

9 771234 567003

The 2-digit supplementary (in this illustration 04), identifies issue number. It is not intended to be scanned in the retail sector. The ISSN has to be shown in human-readable characters, along with the EAN bar code; in this case it is in OCR-A, but it need not be in a machine readable form.

The up-date: the contracts have recently been signed (between the EAN and ISSN administering groups) so it will not be many months before the new symbology is seen on periodicals.

#### A few dates for your....

....diaries, but hurry with the first one!

- 20-22 Feb. 84: EPoS Europe: Dusseldorf, Germany
- 5 April: Article Number Association Conference: London, England.
- 8-11 April: National Retail Merchants Association International Retailers Expo: Paris, France
- 18-21 Sep.: EPoS 84: London, England

Details of both EPoS conferences from RMDP, 61-63 Ship Street, Brighton, Sussex BN1 1AE, England; others: Article Number Association, 6 Catherine Street, London WC2B 5JJ, England; NRMA, 100 West 31st Street, New York, NY 10001, USA, Attn: Conference Registrar - 9th World Conference.

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