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1986

PRESS CUTTING OF

ONLINE SHOPPING

ROCC

PRESS INFORMATION

M. J. ALDRICH

P R E S S C U T T I N G S

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INTERNATIONAL PRESS-CUTTING BUREAU
Lancaster House,
70 Newington Causeway, London, S.E.1

Extract from
Infomatics Daily Bulletin, London.

30 JAN 1986

IN. BRIEF

New from Rocc Computers, and showing at this week's Videotex User Show at the Barbican (see opposite page), is a 96-port videotex system supporting 1,000 terminals and 96 concurrent users. Designated the 2890 Telecentre, it uses a 4Mb, 2 MIPS control processor with up to nine dedicated task processors for a total power of 18 MIPS. 4526

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Videotex industry group seeks Government support for growth plan

4326 It's a familiar story, British ingenuity exploited by foreign competitors, but one which the Videotex Industry Association has no intention of repeating. VIA deputy chairman, Mike Aldrich, took the opportunity of the opening day of the Videotex User Conference at the Barbican yesterday, to put forward the proposals which he believes will ensure the industry's future.

Reminding us that "Britain has the largest, most broadly-based, most competent, most experienced and most entrepreneurial videotex industry in the world", Aldrich reckons that future growth of this sector - now worth about £52m and expected to reach £135m by 1990 - will be directly dependent upon government support. What the UK does not have, he argues, is "the backing of state purchasing, nor an effective export policy, nor effective participation in science and technology policy." On state purchasing, Aldrich is not recommending, however, the type of wholesale state purchasing that has given France a 1.5m installed base of Minitel terminals - in comparison to the UK's 100,000. Rather, he says, the VIA wants the government to "encourage the use of videotex in its own house on a large scale", while ensuring that "all government purchases of large-scale information processing systems outside of the military incorporate a videotex capability." Lobbying central government to encourage its departments to originate applications - the burden of the state purchasing proposal - might strike many as an unrealistic suggestion, but on export policy, Aldrich's case for videotex rests on firmer ground. Noting that a "somewhat institutionalised approach to export promotion" has handicapped the industry, he presents a case for videotex in terms of "import substitution" that is likely to be better received. Here, he says that given a widening trade deficit in IT products, caused by the lack of indigenous products, videotex is a "highly cost-effective alternative to traditional on-line computing." The benefits to the UK, he says, besides directly improving the balance of payments, would provide employment as well as give UK companies a better home base from which to pursue exports.

Science and technology policy is the third area where Aldrich would like to see the government changing its attitude towards videotex. Pointing out that the most vulnerable area for import penetration is in terminal manufacture, a change of science and engineering policy leading to further R&D in videotex chips, could plug that gap. "New generations of videotex terminals will need new generations of custom chips, an area where the UK is strong," he claimed, adding, "If the chips are made in the UK, the chances are fair for the terminals to be manufactured in the UK."

Thatcher's expert backs hi-tech shopping scheme

A HIGH technology shopping scheme for elderly and disabled people is now under way in Bradford with the support of one of the country's leading authorities on computers, Hull university graduate Mr Michael Aldrich.

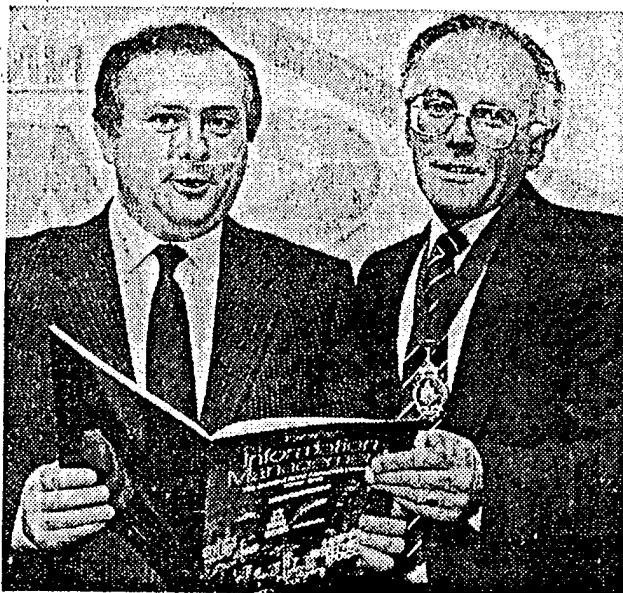
The teleshopping and information service runs on a network of ordering terminals in libraries, community centres, day centres, church halls, sheltered housing complexes and other sites, plus a mobile visiting facility for people who are housebound.

People can transmit their shopping orders to a central superstore which assembles and delivers them.

The Bradford Centrepoint scheme employs 34 people plus a manager, three supervisors and a clerk, and has been created by the city council's unemployment unit through the Manpower Services Commission Community Programme for long-term unemployed people, and Morrisons superstores.

But the key to the whole scheme is the ROCC videotex computer system, which combines a television screen, telephone or cable link and a computer.

Chief executive of ROCC, Mr Aldrich took a degree in history from Hull University



Mr Mike Aldrich (left), chief executive of ROCC Computers, Ltd., with Mr Bill Hunter, president of the Hull and District Branch of the Institute of Cost and Management Accountants.

but he has become one of the foster parents of the computer industry in Britain, and in particular the information technology revolution.

He is one of the Prime Minister's advisers and has also given guidance on the subject to the Confederation of British Industry.

His career in computers began while he was still liv-

ing in Humberside when he worked for the American firm Burroughs. Later he joined the Rediffusion Computers division, which was relaunched a year ago after a management-city buy-out as ROCC Computers Ltd.

He has been one of the pioneers of business videotex and integrated office systems and a leader in the field of putting technological breakthroughs to a practical purpose.

And before giving his presentation as guest speaker at a recent meeting of the Hull and district branch of the Institute of Cost and Management Accountants, Mr Aldrich spoke to Business Mail about his faith in new technology.

"There is a lot of truth in the view 'automate or liquidate' as far as many businesses are concerned," he said.

"In the longer term infor-

mation technology will help to create jobs, because it creates success. It improves overall productivity and makes better use of a firm's resources."

Information Technology, or IT, has already entered many areas of business life and transformed the relationship between customer and seller. One example is the travel business where recent cost-cutting wars were only possible because of the wealth of information quickly available nationwide by videotex.

The Bradford Centrepoint shopping scheme is based on a similar project in Gateshead which was launched in 1980 and has now been extended to 500 elderly or disabled people with the loan of a ROCC videotex system.

Mr Aldrich said: "The idea of a shopping and information service appealed to us because it combines the compassionate with the futuristic."

"Technologists often hope that the products they design will go forward to making a better life for people. It is always more rewarding if one can bring advantages to those who for one reason or another have been disadvantaged."

"One of the features of a caring community should be that it uses its technology to meet the most pressing needs of its people."

The Gateshead and Bradford schemes are the model for something that cities like Hull could aspire to.

And in its search for more private business support for the Community Programme, the MSC in Hull has put such a scheme on its list of possible projects.

Retail prizes

RETAIL giants Sainsbury's, who have a major store at Hessle, are looking for a bright new idea about shopping from young people aged 15-18 and offer a first prize of £1,000 for school or college equipment.

Now is the time when the forecasts are made, when the weather is at its worst and we live in a climate of perpetual gloom. A paradox is that the first two months of the year always seem like the fag end of the year. It is not a cheery time. The jollifications are over. It is the morning after the night before; yet now is the time, so help us, when we look forward to the coming year.

Predictions are made about income tax and interest rates, and earlier promises here seem unlikely to be fulfilled. Pundits are always standing on tip-toe even when they are not saying very much; and when they are palpably wrong, their plausibility is such that there is never an admission of failure.

What can the grocer expect in 1986? More of the same, it seems. According to the jobs gained and lost chart on television every week, we are in an enormous growth industry for what we lose in manufacturing we make up for in the opening of supermarkets. More than ever before we are a nation of shopkeepers. The reckoning on television, however is absurd for what it does not show — and in fairness, probably cannot show — is the number of small retailers who are thrown out of business every time a hypermarket opens.

Shops continue to vacate the High Street, smothered by the proliferation of banks, building societies and government offices. But the rate of change is slowing. There are signs that the need for more large supermarkets is dwindling as the distance between one large site and the next recedes.

Now that even toddlers seem to have a passbook instead of a piggy bank, and regulations restricting building societies are eased, and the "big bang" reverberates throughout the City of London, we can expect the fiercest competition to be in finance.

Soon, some rationalisation must take place among the many building societies — and we all know what we mean by "rationalisation": the big ones will gobble up the little ones.

With the launch of "Paypoint", Britain's first extended electronic

More of the same in 1986?

PETER McKELVEY
dons the cloak of the
clairvoyant and looks
to the shopping scene
of 1986 and beyond.
He sees a continuing
whittling down of
small independent
grocers as the
proliferation of the
'big boys' goes on
steadily.

shopping experiment by Anglia Building Society and ICL in Northampton, what are the wider issues at stake? Will EFTPOS lead to lower operating costs and cheaper credit? Does this latest test, and others, signal the swifter introduction of cashless shopping as well as more home shopping?

And where do they go from here? Have they the muscle to carry on and extend the pilot into a "live" system covering a wider territory? How do they fit with any long term co-ordinated initiative still to emerge from the CLCB and the Retail Consortium?

As the trend towards out-of-town shopping increases, will we see an increase in teleshopping services? Views on the pace of development differ. Michael Aldrich, chief executive of ROCC

computers which supplies the equipment for the Bradford Centrepoint Teleshopping and Information Service does not view teleshopping as a commercial proposition at present. He thinks it is still in its infancy and that another three years is needed.

But Fred Hitchin, residential services manager of Prestel, is more optimistic. He says: "We think armchair shopping will take off. We are talking to half a dozen parties, including a couple of major retailers, who are interested in developing this sort of service in several parts of the country".

In the High Streets the accommodation cost of a prime shop unit has jumped by the equivalent of nearly 17 per cent per annum during the first half of this year, according to Debenham Tewson & Chinnock's annual survey of the retail sector. Rental growth has been the major impetus and, as you well know, in Scotland the particularly high assessment placed on shops in the newly implemented revaluation has led to a considerable jump in costs. Shop rents have strengthened over the last 18 months and the annual growth rate has picked up from five and a half per cent in 1983 to 10 per cent in 1984 and 15 per cent in 1985.

Oxford Street remains the most expensive location in the survey of 21 shopping centres and the combined cost for rent and rates is currently around £298 per sq. ft. Zone A, Knightsbridge is slightly over while outside Central London, costs range from £185 per sq. ft. Zone A in Edinburgh to £67 in Exeter.

The rating system has been at the centre of controversy and there has been a progressive extension of controls to protect ratepayers. Shopkeepers need to take into account any possible changes in their trading position which may have occurred since the last valuation.

According to the report, consumer trends have been translated by a growing number of retailers into shops with distinctive style and character. The interior aesthetics of the shop are now as important as the streetscape and quality of local environment

VIDEOTECH: NEW TECH TRENDS

ALISON BRIDGE EXAMINES THE DEVELOPING MARKET IN VIEWDATA

Mention viewdata, and most people think of Prestel. Mention videotex and most people won't have a clue what you're talking about.

That's hardly surprising as videotex — the international term for viewdata — is a product of the convergence of three technologies — computing, telecommunications and television — and the industry itself is fragmented.

However, a pattern is emerging. For a technology that was introduced as an electronic encyclopaedia for the home, videotex has achieved its most significant successes in the business area — so much so that the travel industry and the Stock Exchange would probably not be able to operate without it today.

Videotex has yet to realise its potential in the residential market, although there are encouraging signs.

Mike Aldrich of ROCC Computers, author of Videotex — *The Wired City* and something of an industry guru, describes videotex as basically not a hardware technology.

He says: "The hardware used is relatively trivial — it's an intellectual technology that, properly used, enables people not conversant with computer techniques to use computing."

Videotex looks set for healthy growth at least for the next five years...

The fact that the technology is simple has traditionally meant that the data processing community takes videotex less than seriously.

Mike Aldrich says it regarded videotex "as a threat or a toy". However, attitudes are changing and videotex looks set for healthy growth, at least for the next five years.

Research agency Butler Cox & Partners has been watching the videotex market since 1978 and regularly produces reports on the industry.

In its latest report on Videotex in Europe it estimated that the number of terminals in Europe would rise from an installed base of 520,000 at the end of 1984 to over 7.3million by 1988.

It predicts that terminals shipped will rise from 345,000 in 1984, representing a value of \$112.1million, to over 2.5 million in 1988, representing a value of \$633.8million — that's a growth of over 560 per cent. in four years.

ROCC Computers — previously Rediffusion Computers — has produced its own figures on the private videotex market which it estimates at £16.5million in 1985, rising to £28million in 1988, and predicts a growth rate of around 40 per cent. per annum.

The market is in two clearly definable divisions — public viewdata services like Prestel and private viewdata networks.

The Prestel service was originally set up by British Telecom as a large database of general information that people could access simply, through their television sets and over the PTT.

It had limited success: as consultant Gary Garrard of PA Computers says: "It was patently demonstrated as non-tenable — consumers didn't want it, and it was of no use to businesses."

From a slow start, Prestel has improved until the service is

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sources and over 7½million accesses per week to the 320,000 frames of information held on the central Prestel service alone. That doesn't include use of more than 70 external videotex services available through Prestel.

"The turnaround in Prestel's fortunes was due to a change in marketing," says Gary Garrard. "From trying to be all things to all men, it started identifying specific areas and serving them."

Prestel's Tom Baird agrees: "Prestel was set up as a common carrier, providing the network and computers for information providers."

"It got into a classic chicken and egg situation: nobody would join until the others had."

"Prestel had to set up managed products, and invest a lot of money in them, before the customers would follow."

Targeting its approach has brought Prestel users in both business and home markets.

It now offers services specifically tailored for the travel, agricultural, financial and insurance industries, for education and home microcomputer users.

There's also a free videotex-based messaging service, Prestel mailbox, which transmits over 110,000 messages per week — and the company is working on "Noticeboard", which will allow interactive message transmission between users.

In the pipeline are additional business services, and home banking and teleshopping facilities for residential Prestel users.

Retailing is another area both Prestel and the private videotex suppliers have identified as one of potential growth.

Recently the company launched a service for carpet wholesalers, which will eventually be taken on by the retailers.

Tom Baird points out that Prestel, and videotex in general, is user-driven.

"The application is the important thing," he says. "The use of Prestel in retailing will develop by concentrating on individual sectors — we've done carpets, groceries will come next."

There are an estimated 500 private videotex systems in use in the U.K. today, and around 120,000 terminals.

Their networks are usually

based on private leased lines, to cut call charges, and the information they handle is of specific interest to the company or organisation they serve.

It is possible to identify areas where private videotex is going to work — wherever an industry shares, sells, transacts or imparts information over a wide area — industries like insurance, banking, education, agriculture and salesforce control, where it's already well established.

Its use has developed from initially having packages of information available on Prestel, through to the development of packages on private Prestel or private viewdata systems and the installation of value added networks.

Private systems have software which enables the build up of a viewdatabase in the same format as on public viewdata and allows users to access it using the same sort of procedures.

The travel trade is a prime example of an industry where viewdata is now an essential tool used by the travel companies and operators, agents, the hotel trade and by consumers.

Viewdata is now an essential tool used by travel companies, hotels and consumers...

Suppliers want to advertise seats, rooms or services as widely as possible so that they can be booked as quickly as possible.

Agents need to know a variety of options, including the current booking status, and be able to place bookings and have confirmation as quickly as possible.

The Prestel Travel Service is a specialised section of the Prestel database under which travel information is indexed. Travel principals market their services to agents by providing the information and the facility to book their services via Gateway links into their own reservation computers.

There are three main groups of financial videotex services: Citiserve, which has around 50 information providers — including Hoare Govett and the Mid-

land Bank — and offers financial and investment information; Homelink from the Nottingham Building Society; and the Bank of Scotland's Home and Office Banking facilities.

Disc International — a specialist videotex software house — recently installed a system which provides a teleshopping service for Littlewoods' electrical goods.

Disc's Brian Conway says: "Littlewoods identified the Prestel user base as potential customers, and wanted the most efficient way of contacting them."

In future videotex will go more down the expert systems route...

After assessing 12 videotex products, Littlewoods chose and

installed Disc's Viewbase videotex software on its McDonnell Douglas Sequoia mini-computer in Liverpool.

Users access the database on Littlewoods' computer via Prestel Gateway and select from a list of 250 products, which is set to grow to over 5,000 by early 1986.

There are three ways of selecting and ordering products using this system, and one is a particularly good illustration of the power and interactive capabilities of videotex.

The user enters the type of product wanted, the price range, the make, etc. The system does a search and displays the product or range of products that suit the specification.

The user then selects, orders, and can pay by credit card.

Interaction between the user and the database is made possible by interactive page, rather than

static page, videotex. It's part of a trend which Mike Aldrich has identified as a route which videotex is taking.

"In the future, videotex will go more down the expert systems route," he says.

"Inexpert users want to access computers on their own terms. Videotex provides a simple human interface, and expert systems built into the computer at the other end can help them find the information they want."

Disc also installed a videotex service for the National Extension College which enables 60 microcomputers, from different manufacturers, to communicate with a database library of course material.

Although the common conception of a videotex terminal is either a television plus adaptor or a special viewdata terminal, personal computer manufacturers are now including videotex in

their products, and personal computer owners are using their machines as videotex terminals.

PA Computers' Gary Garrard believes that videotex terminal functions will eventually be absorbed into personal computing, and that videotex front-end functions normally handled by a videotex minicomputer at the database end will eventually be absorbed into the mainframe.

At least then it has a healthy future, something its critics over the years have denied.

INFORMATION SERVICE

For further information about
 ROCC Computers Circle Number 258.
 Butler Cox and Partners Circle Number 259.
 Disc International Circle Number 260.



Viewdata
— keeping tabs on a rapidly growing market

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