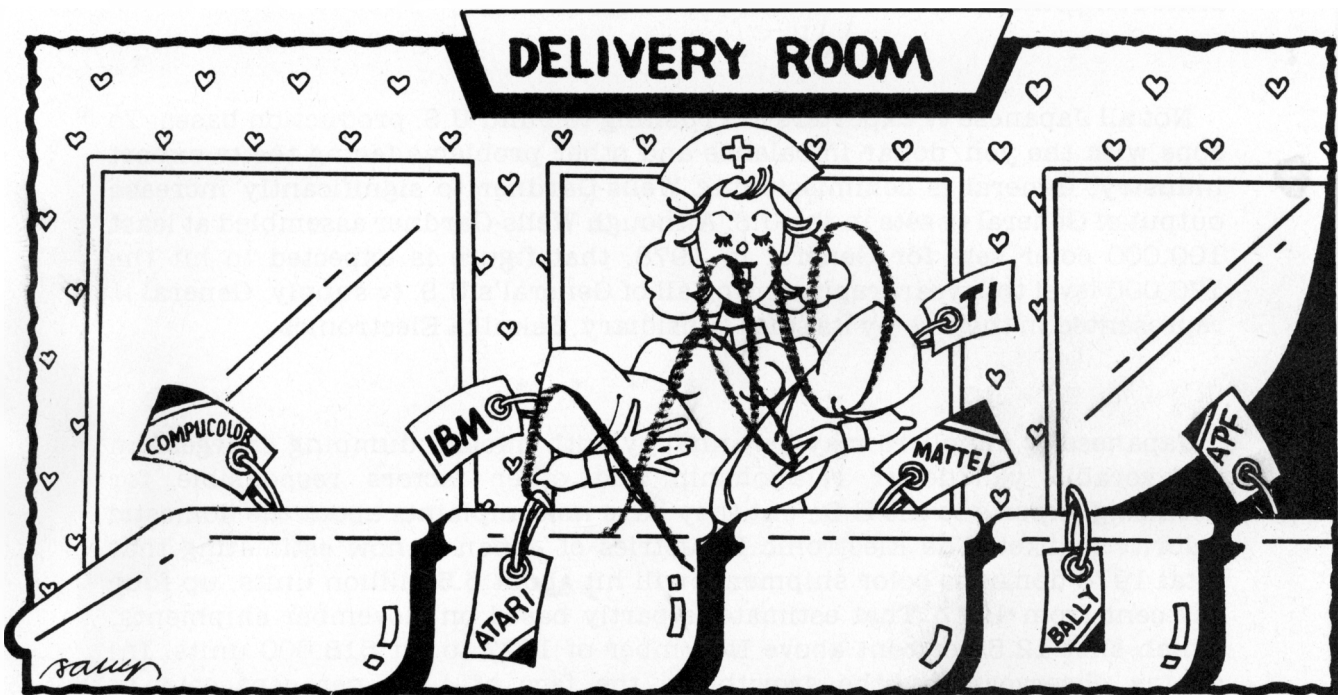# Computers At CES:
Dynamic, But Still Confused

by Hope Heyman

R etailers traveling to WCES in hopes of resolving some of the confusion surrounding the personal computer market may have come away more confused than ever.

Programmable game makers muddied the waters by jumping into the field. And existing suppliers—themselves now unsure of how to penetrate the mass market—have begun to frantically realign marketing plans after largely unsuccessful forays into department stores. In spite of the lack of a clearly defined audience or crystalized marketing strategy, however, the computer field at CES still exhibited the excitement of a dynamic industry.

The confusion was reflected in a shift in marketing emphasis as suppliers—citing fast sales personnel turnover at mass market outlets and a growing volume of phone calls from

unsupported users—launched plans at CES to expand into more sophisticated outlets.

Apple staged an elaborate presentation for audio dealers at CES in an effort to broaden its marketing into high-end audio stores. "We have been looking at new outlet opportunities in high-end hi fi stores. Now we're pursuing it more vigorously," says Phil Roybal, production marketing manager.

Videobrain is also shifting its focus. The firm will now zero in on selected electronics specialty, audio and computer outlets, rather than department stores. The quick turnover of sales help in department stores is behind the reason for the move, the company says.

Interact's marketing will change, although the company stresses that it won't cut back current outlets. "What we're going to do in the foreseeable

future," says marketing VP Don Fostle, "is emphasize computer stores."

In addition to all these changes, the industry at CES found itself grappling with the question of when does a programmable video game cross to the other side and become a computer. And introductions from game companies Mattel, Bally and Atari intensified the programmable-computer debate.

Bally added both a keyboard and a new language to its programmable, then promptly renamed it Bally Computer System. The language is Grafix, and is self-teaching, the firm says. The entire system now functions on three levels: as a video game, as a video game with Bally BASIC programming and as a computer system with a range of peripherals.

Atari showed two personal com-

puters, the 400 and the 800. The 400 is designed for those with no computer experience, and the 800 for more sophisticated users. The 400 will sell for about $500 and the 800 for about $1,000.

Game companies are all too aware hat the market has yet to expand eyond its hobbyist and small-usiness base. That expansion, they're betting, will come via simplified languages and prepackaged, mostly game, software.

APF expanded its computer line at CES with a keyboard module to fit its M1000 game system. The entire system will retail for under $500.

And Commodore showed with 16K and 32K versions of its 8K home computer. The company also showed several printers and business-oriented software.

*Bally computers at CES: a
new language, a new name.*

If sales don't exactly skyrocket in 1979—and many companies won't deliver product until the second quarter—that acceleration is only a few years away, says Bill Meserve of consulting firm Arthur D. Little. At CES, Meserve forecast a $1 billion business at the manufacturer level by 1982, with consumers forming 20 per cent of that market. "Large investment will be needed to identify real market needs and develop software to satisfy those needs," he said. And Texas Instruments will be among those companies able to make that kind of commitment, he says.

TI will unveil its personal computer at the June show, according to sources at CES. "June is a better time for the introduction of a product like a

personal computer," says Peter Bonfield, manager of consumer calculators for TI. "This is going to be a very interesting year."

Ohio Scientific showed voice option for peripherals for its Challenger II computers. The option currently retails for $525, but will have a lower price tag at the June show, says president Charity Cheiky. The company also

introduced a $249 AC remote home control peripheral.

Exidy Data Products introduced an S-100 expansion unit for its Sorcerer computers. The expansion unit interfaces with a variety of peripherals, including voice synthesizers.

The company also showed a line printer, a graphic printer and a disc video unit. □

Infant Market Spawns New Software Industry

The personal computer business has yet to take off in a big way, although manufacturers on the floor at CES said big volume is just around the bend. Yet this infant industry has already spawned a secondary business—personal computer software. Both Creative Computing Software and GRT's consumer computer group announced stepped-up deliveries of new lines at CES. Neither firm was at the June show.

Both firms offer mostly game-oriented applications, but that will change, says David Ahl, president of Creative Computing. "We see a sharp change in the personal computer market from a few years ago, away from mostly educational and games and recreational applications," he says.

"New customers are getting more serious. They want applications to do investment analysis, data base and mailing list management."

Current Line

The company's current line—mostly game, educational and personal health applications—includes 21 tape cassettes and two eight-inch floppy discs for the Apple II, Commodore Pet, Exidy Sorcerer, Ohio Scientific Challenger 1P and Radio Shack TRS-80 units. Most tapes have a suggested retail of $7.95 while discs are priced at $17.95. Tapes contain four to seven programs, and discs, 51 programs.

What's ahead in software? "The fastest growing single application is text editing and word processing," Ahl says. "We'll probably have 60 tapes

with 300 different applications availabe by the end of 1979."

But difficulties do lie in the way of this rapidly expanding market, Ahl cautions. "Probably the biggest single

*GRT software: modifying,
enhancing and translating.*

obstacle to the growth of the personal computer industry is the sheer idiocy of salespeople."

To circumvent the problem of untrained sales help, Creative Computing has developed tapes with "a kind of self-demonstrating model. The software runs by itself."

GRT has reached licensing agreements with several software producers. "Then we do the modifying, enhancing and translating from one microcomputer to another," says Craig Watjen, general manager. The company's software concentrates on games, personal development and household management programs rather than business applications. "Initially, entertainment is where the consumer is looking," Watjen says. □