

of a. n-JW-
umera
cedes
a inte-
gn is
with
ecom-
a bag.
ot re-
infor-
says
e in a
ra is
t Mr.
cam-
t con-
era is
wide
Re-
sup-
en, a
s the
sign"
dak's
Han-
"

of a. n-JW-
umera
cedes
a inte-
gn is
with
ecom-
a bag.
ot re-
infor-
says
e in a
ra is
t Mr.
cam-
t con-
era is
wide
Re-
sup-
en, a
s the
sign"
dak's
Han-
"

The Toys "R" Us promotion is an indication that toy retailers are concerned that the year's tepid sales could carry over into Christmas. "The toy business is incredibly flat right now," says Stephen Sandberg, a toy wholesaler in Foxboro, Mass. "Retailers are looking for something big to come along and create excitement."

Last year, Toys "R" Us printed six million flyers, each carrying \$313 in discount coupons, that were stacked in its stores. The new coupon catalog — to be unveiled before analysts in New York today —

by manufacturers, representing something of a coup for the retailer, which has enormous power in the industry.

Toy makers have indicated they will work hard in other ways for consumer dollars. Mattel Inc., which introduced coupons to the toy industry in 1988, plans to distribute more than 1.5 billion coupons — ranging in value from \$1 to \$10 — between August and the end of the year, its biggest discount program ever. Tyco Toys Inc. has announced a \$1.6 billion coupon campaign.

In the toy industry, about 2% of coupons are redeemed by consumers, according to

mea the rect unde apot Life, Geor dispo child T ity b vani jury a mi struc safe do s time pern argu medi " woul of th said. that hous no n clerk ingly phys In case mack harm nesse prom In ceivir eryth age it be to medic both famil presc suffer Re gued inter a sta turne Giver dard requi court undis and b Revco Ac the r lawye chain and s attorri Corp. script Diabi diabie Pi

The show is paid advertising, but Michael Goldstein, vice chairman of Toys "R" Us, says, "We think we're creating some real good family entertainment."

Peggy Charren, media consultant and founder of Action for Children's Television, disagrees. She calls the cartoon "a program-length commercial for a couple of toys," though she adds that the "horrible thing" is that "the show's probably going to be perceived as the most wonderful show that day by parents who are sick of violence on TV, and we'll probably give it an Emmy at the end of the year."

TECHNOLOGY

IBM, BellSouth Team Up to Sell 'Simon'

By DENNIS KNEALE

Staff Reporter of THE WALL STREET JOURNAL
NEW YORK — IBM is taking its first step into the nascent and tricky market for "personal digital assistants," targeting the much-derided Apple Newton and rivals with a new product it will supply to a potent partner: BellSouth Corp.

The regional Bell company's far-flung cellular business will sell the new device IBM has designed: a slender, 8-inch-long pocket-phone-cum-computer that barely weighs a pound. It will mark the first time that Big Blue and a Baby Bell have teamed up in such a licensing agreement. BellSouth and International Business Machines Corp. are set to announce the pact next week, according to people familiar with the plans.

BellSouth will start selling Simon, as the product will be known, in December. It may intensify the debate over so-called PDAs and what features the newfangled devices should offer. The Newton and its ilk have been designed as slimmed-down, high-power computers with limited communications capabilities and the promise of more, later on. Simon turns Newton on its head: It is, first and foremost, a souped-up cellular phone, equipped with extra computing power.

So far, the first wave of PDAs has been maligned for gimmicky features and for lacking the wireless communications that are critical to the whole effort. Companies like Apple Computer Inc., Compaq Computer Corp. and Motorola Inc. are believed to be racing to develop PDAs lashed to the cellular-phone approach.

Dry Run

IBM's new entry will offer a dry run before the company introduces a more powerful version under its own brand name in mid-1994. IBM will get a small cut of the monthly income that BellSouth takes in from people using Simon on cellular and

Wall Street Journal, 10/29/93, p. B1.

pagings networks, giving IBM a detailed look at what customers do with the device.

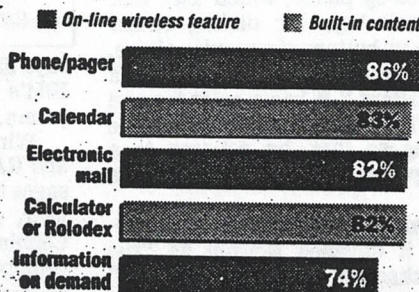
Ultimately, the PDA holds out the promise of "anywhere, anytime" access to the staff, on-line data and computers back at the office. Experts have a favorite example: As you wait at the airport, your pocket gizmo emits an electronic chirp. You answer, and an assistant says your flight is canceled. You punch a few buttons on the "touch screen," scroll through other flights, press a key to reserve tickets and charge them, and zap an electronic-mail message about the delay to the person you are meeting. The device updates the change in your calendar back at the office, as you check voice mail, call up morning stock quotes and, what the heck, rip out the heart of a bad guy in the

PDAs: What Do Users Want?

Most of the "personal digital assistants" sold so far offer powerful computer features but don't yet include many wireless communications capabilities. Yet people are eager to link up—at prices far lower than now available.

Most Important Uses

Percentage of people rating those features as the most useful



The Price They Would Pay

Range of prices people would be willing to pay for a personal digital assistant*

PRICE	
Highest named	\$1,000
Lowest named	150
Median	452
Average	350

*Compared with \$700 to \$1,000 actual cost of most PDA products

Source: Study of focus groups with 200 consumers in 20 cities by H&M Consulting, Sunnyvale, Calif.

video game Mortal Kombat while waiting for the next takeoff.

Most of these features are imminent, and virtually all of them can advance to the prototype phase or beyond within just two years.

No Price Breakthrough

Whether consumers will follow is another matter. The cellular networks that are beginning to carry data can be unreliable, especially if the sender is on the move. The monthly fees can run high. And no manufacturer has overcome the barrier of price: These hopped-up Filofaxes often sell for \$1,000 or more, while many consumers balk beyond the \$350 mark.

Nor will the BellSouth model pose a price breakthrough. Simon will sell for

Please Turn to Page B14, Column 4

der, Big Science ts for Its Survival

exas atom-smasher was the failure to attract international partners to the world's largest science experiment. The problem was the U.S. didn't approach foreign partners, such as the Japanese, until midway through the project when the collider's mission had long been set and Congress was already squirming about its overruns.

Rep. George Brown (D., Calif.), chairman of the House Science Committee, says a half-billion-dollar science projects that take a decade or more to design and build are in trouble unless a system is established to initiate and share Big Science projects internationally.

In the wake of the death of the Texas supercollider, Mr. Brown says he sees merit in joining with the Europeans to help them build what—by default—would be the world's premier high-energy physics lab, not only if it serves as an incentive for establishing a framework to handle international science in the future. The Europeans haven't yet asked the U.S. to join their supercollider project, which is less expensive because it upgrades an existing facility, but they are known to be facing financial troubles.

Ill Breathing

Still, if Big Science is on the run in the U.S., it is far from dead. The nearly \$30 billion space station survives, though it is under increasing pressure in Congress and will face opposition from deficit-cutting lawmakers again next year.

Moreover, the Clinton administration told Congress this year allotted \$17 million for what could grow into the next Big Science project—a \$2.7 billion Advanced Photon Source that would top the current existing facility in France.

Even less-expensive projects are under pressure. Reps. Timothy Penny (D., Tenn.) and John Kasich (R., Ohio) this week released a list of new spending-cut proposals that targets science. In addition, Congress whacked at the national space agency's budget, killing a \$3.7 billion new contract for the space shuttle, stopping the U.S. search for radio signals from extraterrestrials, and ordering a high-priority biting X-ray telescope to trim its mission and hitch a ride on a Japanese satellite instead.

At the same time, however, Congress voted to launch two new planetary probes, one to Mars and one to study asteroids. Both, however, fit the new budgetary climate; they promise to cost no more than \$150 million apiece.

Las Vegas Casinos Orders Riverboat

LAS VEGAS—Station Casinos Inc. said it has agreed to purchase a new 2,500-passenger riverboat from Kehl River Boats Inc. for \$13.7 million. Designed to resemble a turn-of-the-century paddle-wheel riverboat, the vessel is set for completion in 1991. The gambling concern said it will

IBM and BellSouth Join Forces to Market A Newfangled Phone

Continued From Page B1

\$1,000, albeit prices for Apple's Newton and Tandy Corp.'s Zoomer go that high without a cellular phone. American Telephone & Telegraph Co.'s Eo does include cellular calling and wireless features, but it costs up to \$3,000, weighs 2.3 pounds and rivals a clipboard in size (10.8 inches long by 7.1 inches wide). AT&T executives say Eo isn't a PDA.

Simon will boast wireless skills its rivals mostly lack now. Upon delivery, it will let a customer make phone calls and send and receive e-mail over BellSouth's cellular network. The device was designed by an IBM Personal Computer Co. team at a lab in Boca Raton, Fla., in BellSouth's service region. It will be manufactured for IBM by Mitsubishi Consumer Electronics of America's plant in Braselton, Ga., according to insiders.

Simon can send and receive faxes without having to be "hard-wired" to a phone line. With an extra signal "card," Simon can take in one-way paging handled by BellSouth's MobileComm paging system.

The juiced-up phone, which uses flat, "touch-screen" keys for dialing rather than the pop-up buttons of a regular phone, also has features seen as de rigueur for a "digital assistant." It has a calendar and scheduling. Its address book is tied into the phone-calling so that, by pointing to a name, the gadget dials the number on its own.

Apple galvanized the market in August when it unveiled Newton as "the defining technology of the digital age." But it didn't have any wireless features ready. E-mail capability is promised before year end. Newton can't yet handle phone calls or wireless faxing. Linked to a phone line for faxing, it can only send. Wireless messaging arrived this month, at an extra cost of \$229 for the necessary part plus monthly fees; but Newton can only receive, not send.

Newton was strongly criticized—and unfairly, fans say—for glitches in turning handwriting into typed text. BellSouth and IBM saw the handwriting on the wall. Simon isn't smart enough to translate hand-scrawled blurbs into text; instead, it merely replicates the appearance of the scribbling. Techies call that approach "electronic ink."

Albert Chu, a strategy director at Apple, says Newton's limited communications aren't its fault: "It's an infrastructure issue," he says. For example, paging networks like BellSouth's MobileComm, which began zapping Newton messages this month, are one-way only.

As computers get tinier yet more powerful, makers "now realize there's another table we forgot to cut—the communications table. Wireless communications is a major part of how we move forward."

Bell Atlantic's Bid for TCI To Be Reviewed by Justice

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—Federal antitrust enforcers have decided that the Justice Department will review Bell Atlantic Corp.'s proposed acquisition of Telecommunications Inc.

At the same time, antitrust officials from the Federal Trade Commission and the Justice Department, in a bit of horse-trading between the agencies, said the FTC will evaluate QVC Network Inc.'s bid to take over Paramount Communications Inc. The FTC previously cleared Viacom Inc.'s bid for Paramount.

Both agencies are responsible for studying proposed mergers to ensure that they don't reduce competition to the point that the merged companies have the power to raise prices without fearing how competitors might respond.

Because the Justice Department is part of the executive branch, Clinton administration policy favoring the creation of an information infrastructure network could conceivably have more of an influence on the decision by the department than it would on the FTC, an independent agency. The Bell Atlantic/TCI deal would be part of that so-called information superhighway.

Decisions by Justice and FTC officials on the transactions are weeks away.

says James D. Bartlett, who oversees the IBM's Thinkpad line of notebook computers.

Wireless data networks such as Ardis and RAM let field forces beam brief messages to headquarters and back. Late next year, cellular providers such as McCaw Cellular Communications Inc. will be equipped to carry far bigger bursts of data, at speeds four times as high. That approach would vastly reduce the cost of sending PDA data and electronic mail across the cellular-phone network, says Fernand Sarraz, an IBM executive who is studying wireless services.

Some customers, however, seem reluctant. Walt McGraw works at a TV production company in New York and just bought a Newton, hoping to get wireless e-mail on the road. He isn't so sure he wants Newton to also be a cellular phone. "I don't want to be that in touch," he says. "If a cellular phone rings, you're sort of obligated to pick it up."

Roborn to Become WinStar

NEW YORK—Roborn Industries Inc. said it will change its name to WinStar Communications Inc., to reflect its focus in the communications industry, pending shareholder approval.

The over-the-counter symbols for Roborn—ROBE, ROBEW and ROBEZ—changed today to WCIW for common stock, WCIW for Series A warrants and WCIW for Series B warrants.

The company offers private long-distance phone services and supplies beauty and sports products to retailers through two divisions.

IBM Low Of 'Green By as Much

By a WALL STREET JOURNAL Staff Reporter
SOMERS, N.Y.

ness Machines Corp. will slash prices up to 50 percent on its introduced "green" computer and two of its efforts to move sales.

The price reduction on the new model came down to \$2,235 and the old model introduced last March for \$4,135 and \$3,535.

The models mean lines for energy efficiency, primarily at large companies, including long-term contracts. Back in June, when IBM introduced its model's conservative saving flexibility, entities which need machines, such as IBM. But the conservative worked well so far.

A spokesman said the price reduction by IBM wants more people to use the green computer and green corporate spokesman. "It's a part of its time."

Abbott Laboratories

Abbott Laboratories strict advertising settlement of Federal charges that the company with other formula.

Abbott and the settlement final, so not to try to persuade or adhere to limits and other formula. participated in forming prohibit consumer to evidence product that Abbott settled.

One effect of the settlement is to make it more difficult for oriented companies to enter the U.S. market.

America Online

America Online on-line computer service doubled in the first income declined 6 percent in the primary item last year.

The Vienna, Va. income for the three was \$1 million, or earlier, net income cents a share, in benefit equal to six rose to \$15.9 million.

America Online subscribers rose 9 percent in the first 30 days.