

## IN THE NEWS

## So far, interactive TV is no match for the mall

ORLANDO — I have seen the next version of cable TV's future and, frankly, I'm not too impressed.

Not that Time Warner's Full Service Network, which is supposed to be wired to 4,000 test homes in Orlando by year's end, isn't better than today's cable TV. It is.

I was just underwhelmed by the interactive home shopping services that experts once touted as the next revolution in retailing.

Alas, they can start this revolution without me. And I doubt the network's minimal shopping services will pass the big litmus test: Will people use them?

Time Warner let me be the 5,279th visitor to make a practice run on the world's first digital, switched, interactive broadband communications network — a.k.a. the next generation of cable TV.

Interactive cable is not new; it means viewers can communicate with the machine transmitting the programming. FSN's bulwark remains the same multitude of channels everybody else gets today. But this system is fueled by new technology.

FSN, which so far is in only 62 homes, has the telecommunications industry abuzz about potential services Time Warner (or telephone companies or Microsoft) will develop before putting it in places like Tampa Bay in five years or so.

The remote control, which looks more like Buck Rogers' ray gun, was relatively easy to operate and no more forgetful than the remotes I use at home. Being able to fast forward, pause and play back movies on command was neat. I'm no video game fan, but I guess being able to rent 13 games by the hour, day or month without a trip to Blockbuster Video sounds like a plus.

And Time Warner's visual carousel is a novel innovation. It's a revolving wheel from which 10 or more new services are selected.

Yet despite all the gadgetry that lets customers shop from their living rooms, FSN offers nothing that can't be done faster and easier over the phone from just about any



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living room in America today.

And if you want to comparison shop, cruise for sales or actually touch what you're buying, you'll have to climb out of that easy chair and hit the stores.

#### Try a catalog

Seven well-known catalog retailers and the U.S. Postal Service have put their own tiny boutiques on the air. Each displays about 30 products — one at a time. You have to skip over what you don't want, but that takes a few seconds each time.

If you have questions about a product, you click on an infomercial. To buy something, click some more to be sure the order form on the screen is filled out correctly. (Installers type your name, credit card and address in when they plug in your home.)

But if you want to send a gift to a different address or change to another credit card, you must type it all in, one letter at a time, by moving a cursor around a displayed alphabet. It takes minutes, not seconds.

In contrast, each of these companies could mail you their catalog. You could flip through hundreds of products in a fraction of the time. If you want to buy something, dial an 800 number and order it. Clerks answer product questions on the spot.

Which option sounds faster? Which offers the broadest selection? Which one sounds easiest? Which one answers questions as you ask them?

Already, FSN has learned that video shoppers found the pace too slow. So they added an index describing each product in a few words, which only hint at what's there. Next they will put prices on



Photo courtesy of Time Warner  
Time Warner's Full Service Network is to be wired to 4,000 test homes in Orlando by year's end. Here, a screen shows a visual carousel from which 10 or more new services are selected.

the index.

This winter, viewers will be subjected to offerings from Winn-Dixie and Eckerd Drugs in cyberspace. Photos of 25,000 products can be summoned to the screen in a parade that lets viewers read four sides of each package. Sounds mind-numbing.

Delivery will be from a company that has handled the same sort of shopping for Winn-Dixie and Eckerd through a catalog/telephone service. Yet neither Winn-Dixie nor Eckerd could turn a profit from that service, which is more convenient than FSN will be. What makes Time Warner think it can do any better?

#### It's still early

To be fair, FSN is in its infancy. Time Warner's vision is just now getting tested against real-world competition.

For instance, video-on-demand that has been limited to 59 movies is about to jump to 120, closer to the breadth of new releases stocked at Blockbuster Video. Only this month are FSN's guinea pigs going to have to start paying something (\$2.95 for now) to watch a movie.

Otherwise, FSN programming has been created for only half its 10 service categories so far.

Some intriguing ideas are in the works, though: access to a public library, some sort of connections to schools, a news service that lets you pick subject matter and such things as home banking and airline ticketing.

That sounds a lot like the services now generating minimal sales through on-line computer services.

At trade shows, Time Warner and its cable and phone company competitors have barraged retailers with a variety of interactive shopping visions.

Time Warner's, one of the few that comes close to making sense, uses a talking computerized clerk that listens to what a shopper wants, finds out what prices, sizes and colors they're looking for, reminds the customer of a relative's upcoming birthday and explains products almost as well as a human.

Unfortunately, the voice-recognition software to make such wizardry possible is still a frontier technology. And Time Warner concedes it will be years before it develops a system that works.

Until then, FSN will be fine for people weary of spending too much at Blockbuster or the neighborhood music store who don't mind paying more than cable fees to be entertained.

But as a force in retailing, forget FSN for now.

## Halpern

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healthy earnings increase in coming quarters. Heinz should see double-digit earnings growth both this year and in 1996. The stock, yielding 3.1 percent, has seen a 260 percent jump in dividends over the past decade.

#### Providian

Headquarters: Louisville, Ky.  
NYSE (Symbol: PVN)  
52-week range: \$28.62½-\$36.87½  
Friday's close: \$36.37½

"After a sluggish 1994, which was impacted by rising interest

rates, financial services firm Providian seems poised to rebound. The firm is buying back its own shares, and a new president is stressing more interdependence — and thus cost savings — among Providian's units. Providian, which we recommend as a core holding financial services holding, currently trades at only 8 times our 1995 earnings estimate. Yielding 2.4 percent, Providian has hiked dividends 134 percent over the last 10 years."

**Rockwell International**  
Headquarters: Seal Beach, Calif.  
NYSE (Symbol: ROK)

52-week range: \$33.50-\$46.50  
Friday's close: \$44.62½

"Rockwell, an electronics and aerospace firm and military contractor, has strong free cash flow that gives it flexibility to buy back shares, boost dividends and/or make acquisitions. (Dividends should increase in 1995 for the 19th straight year.) The firm has joint ventures in Asia, it's working with Russia on space projects, and it recently acquired Reliance Electric, boosting it toward its goal of deriving 70 percent of sales from civil sources by next year. Earnings per share should rise 21 percent this year and 14 percent in 1996."

## Clinton adviser to give talk

Times Staff Writer

TAMPA — Richard Nuccio, special adviser to President Clinton on Cuba, will be the keynote speaker at a conference Wednesday on preparing for business opportunities in post-embargo Cuba.

Other conference speakers include Ernest H. Preeg, author of *Cuba and the New Caribbean Economic Order*; Pat Neal, a reporter covering Cuba for CNN; and James D. Whisenand, publisher of a monthly newsletter called *Cuba Report*.

The conference will be from 8:15 a.m. to 6 p.m. at the Hyatt Regency Hotel in Tampa, with Nuccio speaking at lunch. The cost is \$195 for the day or \$45 for lunch only. For information, call (305) 371-6756.