



Communications

From Greenbacks to Lexis-Nexis

Automated Price Tags

Frederick Kohnle, of Dayton, in 1902 invented the first successful machine for automatically putting price tags on merchandise sold in stores and shops. At a single stroke of the operating handle, the machine formed a tag from a roll of paper, imprinted it with price and other information, formed a wire staple, and stapled the tag to the merchandise. It eliminated the time consuming need for handmade price tags written with pen and ink.



Stores were getting bigger around the turn of the century, and carrying a bigger variety of merchandise. Fast disappearing were the days when the store clerk memorized the price of every article on the shelves. One price sign on the shelf, or the merchandise display, gave that information to buyers. In some cases, everyone knew what staple items like salt or flour cost, and there was no posted price.

But big departments stores were opening, however, and clerks sometimes got confused, and charged the wrong amount. Putting an individual price tag on each item was becoming more important. Automated pricing, however, was still a dream.



Kohnle got the idea from watching store clerks laboriously hand price items. In 1891, he patented a paper price tag with fastening device and founded the Automatic Pin Ticketing Machine Co. to make the machines.

Like other inventors, Kohnle realized that he didn't have to reinvent the wheel, but could learn from the experiences of others. He bought patent rights to other automatic pricing machines, and incorporated those ideas into a better version of his machine. By 1902, he had a ticketing machine ready for the market. And he continued research and development, making and patenting improved versions, including a floor-mounted machine operated with a foot pedal.

Eventually, Kohnle developed a partnership to explore the development and marketing of his marking machine systems. As a result, the Monarch Marking System Company was founded in 1920. The company name is still synonymous with pricing machines, though the current models are hand-held devices.

UPC Codes

Kohnle's invention was the first step toward the fully automated Universal Product Code (UPC) – the “bar codes” – adopted by the grocery industry in 1973. Bar codes now are used to price, identify, and track all kinds of items, ranging from groceries to blood donated for transfusion. In stores, bar codes not only display an item's price, but also tell the computer to subtract that item from inventory, so the manager knows when to order more stock.

Find out more...

- Monarch Automatic Identification, Pricemarking and Barcode Products (<http://www.monarch.com/>)
- The Ohio University Center for Automatic Identification (<http://www.ent.ohiou.edu/autoid/>)