

# IBM slips in tape storage market

*Study predicts Big Blue, compatibles will drop to 50% of tape device profits*

BY ROSEMARY HAMILTON  
CW STAFF

By 1992, IBM and IBM-compatible tape storage products will account for only 51% of the total of tape storage revenues, according to The Technology Forums, a Chanhassen, Minn.-based market research firm that focuses on the tape storage marketplace.

Less than 10 years ago, IBM and IBM-compatible storage products, also known as IBM data interchange products, accounted for 98% of all revenues.

An emerging technology, helical scan products, could represent as much as 26% of total tape storage device revenues in five years. This year, helical scan products will account for 2% of total revenues.

The dramatic shift away from IBM-standard devices reflects the computer industry's tendency to move away from mainframes toward smaller systems, said Joe Molina, president of The Technology Forums.

"The growth is at the low end," Molina said. "Fewer mainframes mean less IBM data interchange."

IBM data interchange products date back 36 years, when IBM first introduced reel-to-reel systems. IBM tape storage com-

petitors, such as Storage Technology Corp. and the IBM plug-compatible mainframe vendors, followed the IBM specifications on storage products, thereby allowing "interchange" of the various vendors' products.

The Technology Forums' report stated that a low-cost, low-performance version of the IBM 3480, its popular 1/2-in. tape cartridge, is currently the key ingredient to stir up the IBM data interchange market. When IBM releases such a product, competitors will follow suit. However, IBM is not expected to ship a low-cost and low-performance version for up to two more years.

IBM's deal with Cipher Data Products, Inc., which would have brought such a product to market under the IBM name, was renegotiated earlier this year. Cipher recently released the product under its own label.

Meanwhile, IBM is said to have its own low-cost, low-performance version of its 3480 under development internally. The Technology Forums report claimed.

While the IBM data interchange segment may be waiting for this necessary stimulant, the helical scan market segment should begin to prosper. Helical scan technology promises higher capacity and lower cost than current storage technologies possess. Several companies are either about to deliver or to announce products in this area.

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Gigatrend, Inc. recently announced it is delivering the Giga 1200 Tape Storage System, which records data on 4-mm digital audio tape cassettes. The product is said to store from 1.2G to 8.4G bytes of data.

In the helical scan segment, a few factors could hold back growth. Most importantly, there is no set format or interface standard among suppliers.

In the IBM data interchange market, revenue that could have been gained from this expected new 3480 will be diverted to the current IBM 3480 products and to reel-to-reel products, The Technology Forums reported.

To a lesser extent, non-IBM 1/4-in. data cartridge products will also pick up revenue that would have gone to the 3480.

Although the new 3480 will not be available for two years, other advances will be made in this market segment, the report found. Lower cost versions of both types of 3480s, the 1,500K bit/sec. and 300K bit/sec. models, are expected from Aspen Peripherals Corp. in Longmont, Colo., and Storage Technology.

In addition, IBM is expected to release both higher capacity versions of its 3480 as well as a version with higher transfer rates. The higher capacity version, which will be achieved with data compression technology, should be released later this year, the report stated.

IBM will still support reel-to-reel products although they are often considered a dying approach, Molina said. The report noted that with the recent Application System/400 announcement, IBM said the new mid-range would support at least two reel-to-reel products.