

Acer pledges efforts to rebound amid slowing sales

April 1 2011, By ANNIE HUANG , Associated Press

(AP) -- Taiwan's Acer Inc. has pledged to meet new challenges in the slowing PC market after it replaced its top executive as sales fall amid competition from tablets and other devices.

Stan Shih, Acer's founder and a board member, acknowledged smartphones and tablet computers such as Apple's [iPad](#) have brought "a far greater impact on the PC industry than we had anticipated."

"I hope once again we can face the challenges with a new strategy ... and push again for corporate reconstruction," Shih said in a statement.

Henry Wang, director of Acer's corporation relations, said the company will seek to enhance its brand by offering users "a different experience" and better services.

Acer announced Thursday its chief executive Gianfranco Lanci has resigned over differences with board members about the company's future.

The company announced last week its first-quarter results would be worse than expected - a 10 percent quarter-on-quarter drop in revenue against an earlier forecast of a three percent increase. Acer also missed its revenue target in the previous quarter.

The company said that board members failed to agree with Lanci on various business priorities.

"The personal computer remains the core of our business," J.T. Wang, who's taking over as interim chief executive, said in the statement. "In addition, we are stepping into the new mobile device market, where we will invest cautiously and aim to become one of the leading players."

Wang told fund managers late Thursday that Acer had for years striven mainly to expand the volume of PC sales, and achieved that by gaining a market share of over 30 percent in many European and Asian countries.

In the face of the new challenges, Acer will become more market-oriented and strive more to improve [profit margins](#), he said.

According to market research firm Gartner, Acer's desktop and laptop shipments totaled 45.5 million in 2010, second to Hewlett Packard.

[Acer](#) has recently unveiled four tablet computers, but analysts have raised doubts that the company can achieve its sales target of 5 to 7 million tablets this year, in the face of market domination by the attractively priced iPad.

But Wang maintained that consumers are not after low prices only but also want functions other than those the iPad offers.

"For instance, some tablets can work more like a PC with larger storage capacity to enhance the user's productivity," he said.

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