

# China's LeEco sets out to shake up US consumer tech market

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Rob Chandhok, LeEco North America chief research and development officer, holds a LePro 3 phone while speaking at an event in San Francisco, Wednesday, Oct. 19, 2016. (AP Photo/Jeff Chiu)

Most U.S. consumers haven't heard of LeEco, but the Chinese technology company is setting out to become a household name with smartphones and flat-screen TVs that undercut the prices of Apple, Google, Samsung and other industry stalwarts.

LeEco heralded its entrance into the U.S. market during a Wednesday showcase featuring a sleek smartphone called the LePro 3 that will sell for \$400 and an internet-connected TV with a 7-foot screen priced at \$5,000.

LeEco positions the LePro 3 as an alternative to Apple's latest iPhone and Google's Pixel phone, whose prices both start at \$650. LeEco is promising its giant TV, called the UMax 85, will be as good or better than other high-end home entertainment systems that cost \$8,000.

Both the phone and TV will go on sale Nov. 2 in LeEco's online store, LeWeb.com. The company also is selling a smaller smartphone and smaller TVs with screens ranging from 43 inches to 65 inches.

Besides the phones and TVs, LeEco also is coming to the U.S. with a virtual reality headset, a high-tech bicycle and an electric car in a challenge to Tesla Motors.

The company wants to tie all the devices with various other services that it intends to bundle together, including an online video package of shows and movies that ties into its origins as the "Netflix of China."



Danny Bowman, LeEco chief revenue officer, speaks at an event in San Francisco, Wednesday, Oct. 19, 2016. (AP Photo/Jeff Chiu)

LeEco, which stands for "Happy Ecosystem," is branching out to challenge technology leaders who have been able to demand a premium for their products partly because they have been pleasing U.S. consumers for years.

"America is the most important global market for us," LeEco CEO Jia Yueting said through a translator. "Once we get the hearts and minds of U.S. users, we can move on to the hearts and minds of global users."

Other Chinese companies that tried to make a splash in the U.S. consumer electronics market barely made a ripple.

But LeEco is investing. During the summer, the company paid \$2 billion

for budget-TV maker Vizio, a well-known brand in the U.S. that sells in Costco and other prominent chains. It employs several hundred workers at its U.S. headquarters in San Jose, California, with ambitions to expand in Silicon Valley. Earlier this year, it snapped up a 50-acre site in Santa Clara, California, where it has approval to build an office complex that could span up to 3 million square feet and accommodate about 12,000 workers.

"They are not taking a half-baked approach," said Gartner analyst Werner Goertz. "But I think they are going to be hemorrhaging money for the foreseeable future. The question is how long they can sustain this strategy?"



LeEco CEO Jia Yueting, right, and co-founder and SEE Plan Global Vice Chairman Lei Ding pose for photos after unveiling the LeSEE car at an event in San Francisco, Wednesday, Oct. 19, 2016. (AP Photo/Jeff Chiu)

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