

Informa comment: The new Acer smartphone

LONDON, UK: Julian Jest, Research Analyst at Informa Telecoms & Media comments on the new Acer smartphone.



Acer is no stranger to the smartphone market, creating devices running on both Windows and Android operating systems, but it has struggled to make an impact. The company hopes to change this through realigning its mobile business and simplify its smartphone offering, now focussing on devices that it hopes the market will view as "good value for money".

Acer has made little effort to differentiate on reference design, so the company has confirmed its position as an assembler with little addition to the Android OS or integration with hardware. Instead it hopes to leverage the brand strength from Google, DTS Sound and Syntonetic with its new devices, the Liquid Z2 and E1. The company has chosen to focus on industrial design differentiation. Although, this may work in the low-end segment of the market, it will be hard for the company to gain momentum in the high-end segment where differentiation is driven by adding unique features, innovative designs, and best in class software and hardware components.

According to Acer, 4Q12 was its best ever quarter for its smartphone business, which is important, given that it readily admits that its future depends on producing innovative devices capable of consuming data on the go. Acer has struggled to establish widespread relationships with network operators, which has hampered it from gaining a greater market penetration with its devices. Although Acer should have some success in the lower tier smartphone market with the Z2, where customers are price sensitive, and would therefore be attracted by Acer's competitive pricing, with the E1 it will struggle in the mid to high end market where strength of brand is important to consumers.

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