

# Acer case study

Education



From the beginning, Acer had been a component and equipment manufacturer for relabeled electronic products marketed and sold by recognized global companies. Along with the booming of the PC industry, came the need to produce PC components faster, cheaper and more efficiently. When a company faces market saturation, the most effective way to growth is to engaged in expanding its operations, and increase marketing and selling activities to another markets.

With this case, Acer determined that they would take the company into the global electronics and personal computer playing field. This means that even though Acer makes their computers in Taiwan, they want to expand globally. To proceed with this process, Acer has to build a strong brand image with China. According to Stan Shih, his visions that building a stronger market base in greater China is the key to expand globally.

Shih states, “ The market in China is very critical for Taiwanese to become global companies” Shih believes that if greater China becomes the home market, that Acer will be able to get the critical economies of scale, and they can develop and innovate new products that will succeed in China as well as the rest of the world. And He figured that Acer could take advantage of the benefits that regionally local markets offer in regards to competition, and to have a product on China’s turf. 2. How does the “ global market/local market” paradox figure into Stan Shih's strategy for China□

Answer□Acer have a good chance to make China as their home market so Acer can capture critical economies of scale that will allow Acer to develop innovative new product for global market. And the other hand, Acer can use their image as global brand to building strong home market.

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3. Can Acer become the world's third largest PC company behind Dell and Hewlett-Packard ?

Answer : Yes it can be, Acer Inc. is a leading marketer of notebook and desktop PCs. The company, which posted sales of \$11.3 billion in 2006, also produces other products such as flat-screen monitors and personal digital assistants. And Shih has discovered that building brands in the business-to-business market is easier than building brands in the business-to-consumer market.

“ Business-to-consumer brands have more value but also face more challenges”. Acer use more local than their compete and acquired US based gateway and Acer sell product in europe with low price that the advantage to become the third largest PC company behind Dell and HP.