

What's Really Happening at Acer?

Written by Marco Attard
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Global Acer revenues slide further down-- reaching \$3.8BN and crashing by -30% Y-o-Y in Q3 2011 according to its latest financial results, with total quarterly losses totalling -\$36M.



Meanwhile consolidated revenues for the first 3 quarters of 2011 decline by -28% to reach \$347.2BN.

These are not good times for Acer-- once the biggest PC vendor in EMEA according to Gartner. The analyst now says Acer crashed by -39.3% in the EMEA Q3 2011, holding 13.6% market share (down from 21.7% in Q3 2010) and losing the top spot to HP.

Again, we ask-- What's really going on at Acer? The fall of Acer coincides with the departure of Gianfranco Lanci, the European CEO who ran the Taiwanese vendor since 2008. Under Lanci, Acer thrived until the general PC industry disruption from the iPad tablet boom. Lanci's resignation was attributed to his disagreement with the Board over strategy and direction. But now it seems you can add "operations" to the list of Acer woes.

Gartner blames Acer for having "poor performance and prolonged inventory clearance" dragging the EMEA PC market down. Such poor inventory management will have a "permanent impact" on Acer, and the competition will only take further advantage.

Acer's decline is actually an exception amongst vendors seeing (at least some) growth, even in a market as troubled as Europe. The company still hopes to make way in tablets-- a market firmly entrenched by the iPad. Most vendors appear to have given up on the tablet dream,

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putting focus back on getting PCs to increasingly cautious retailers.

This is clearly not the case for Acer, and it will suffer further as a result.

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