

24 March 2008

By: Bogdan Botezatu, Hardware Editor

[Acer's Low-Cost PC, Cheaper than Austek's Eee 2.0](#)

The Eee PC creator cannot keep up with Acer's discount policy



Acer will start a price war on the UMPC market
Acer

Acer plans on tightening the competition on the low-cost ultra-mobile PC market with the advent of its newest 8.9-inch sub-notebook. According to sources quoted by the tech site [Digitimes](#), Acer's low-cost offering is expected to sell \$50 less than the free-on-board (FOB) price for Asustek Computer's second-generation Eee PC. The competition between the two notebook PC vendors however, is sure to affect pricing only. At the moment, there are no benchmarks to show whether the Eee PC will feature some extra horsepower as compared with Acer's upcoming low-cost UMPC. However, the Eee is already extremely popular on the market, and despite the fact that it will come with a lower price tag, Acer's creation is highly unlikely to sell better than Asustek's mini-notebook. Both computers will feature an 8.9-inch LCD display and will come equipped with Intel's Atom processor. Other hardware details are still unknown yet. While Acer will release its notebook at an estimative price tag of between \$250 and \$300 (with retail prices of \$350 and \$400), Asustek decided to stay away from the discount game and set pricing for its units at around \$300 or \$350, while the market average selling price will fall between \$400 and \$500. However, Asustek has the time advantage in the UMPC battle, given the fact that its Eee PC 2.0 units will hit the market in April this year, and expects to sell a large number of units before Acer's notebook even shows up on the retailers' shelves. Undoubtedly, Acer has the advantage of its extended buying power. The company is much larger than Eee's creator, not to mention that it has better credit lines with improved buying power. More than that, Acer has a better network of retailers to sell its products.