Netbook
- Mini Notebook

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Netbook

- Mini notebook weights less than 1Kg.
- Easy to carry around to access Internet and retrieve and respond e-mails on the go.
- Priced at the $15,000 NT range.
- It has caught Japanese consumers’ attention similar to that of iPhone and Wii.
ASUS

- ASUS initiated “Eee PC” Netbook for the 2007 year-end sales in Japan.
- The price was 14,000NT.
- It was a knock out!
- In July 2008, a store in Japan sold out 20,000 Eee PC in three days after long waiting period.
- ASUS has sold 2.5 m units of Eee PC in the first 8 months of 2008.
- ASUS NB shipment is estimated to be 1.5 m ~ 1.8 m in the third quarter of 2008.
HP

- No. 1 brand in the worldwide PC market.
- It was priced at 17,000 NT.
- The first batch of 10s of thousands were sold out in one day.
- The 2nd batch was also sold out in one day.
Acer

- Acer Netbook, Aspire one, was on Japanese market in July 2008.
- The price was $ 9980 Yuan, or $ 3000 NT, if a customer signed up wireless internet access service for at least 3 years at $5000 Yuan per month.
- Estimated shipment of 7m Aspire one in 2008.
- Acer strategy is to increase its market share ranking in Japan from 8th (2%) to 5th in 3 years.
Dell

• The No. 2 brand in the worldwide PC market.
• Announced to offer several models of Netbooks before the end of 2008.
• Dell Inspiron 910, OEM by Liton, will be available in Sep. 2008, and is priced at 11,000 NT.
NEC, Fujitsu, Toshiba

- Have no Netbook products yet.
- The cheapest models of notebooks cost around 20k to 23k NT.
- Japanese vendors are always proud of the functionality and quality of their products.
- They are not good at “scaling down”.
- They don’t like to see Netbooks jeopardizing their existing notebook sales.
Face The Reality

• When substituting technology/product becomes available and the consumers like it, the vendors must embrace it no matter if their existing products will be replaced.
• Revolutionize from inside.
• Intel 286 ~ 386 ~ 486 ~ …..
Netbook Market in Japan

- Sold 720,000 units in 2007.
- Estimated sales of 1.3 m units in 2008.
- Estimated to occupy 9% of total notebook market in Japan.
Netbook Market in the World

- Shall occupy 15% ~ 20% of the worldwide notebook market in 2009.
- Quanta Chairman, 林百里, don’t think mini NB will hurt NB sales because NB is like car and mini NB is like scooter. The sales of scooters does not affect the sales of cars.
  - Believe it or not?
- Global Netbook shipment is estimated to reach 50m units in 2009.
Why are Some of the Reasons for the Success of Mini Notebook?

• Looks similar to regular notebook, works fine as regular notebook, and costs much less.
  – Read/Write e-mails
  – R/W e-mails, WORD, PowerPoint
  – R/W e-mails, Internet,..

• Consumers are fed up to be pushed to spend a lot of money to buy a lot of un-necessary functions.

• One PC per home --> One PC per person?

• Two sophisticated notebooks?
  or One sophisticated and one simple notebook?
What Trend Do You See Coming?
An Age of Excess to An Age of Less

- Reduce carbon-dioxide emission.
- Reduce consumption of all kinds of resources.
- Life style of conservation and simplicity.
- An economic slump for one country is an economic slump for all countries.
- The world economy is in contraction.
- Expansion $\rightarrow$ Inflation $\rightarrow$ Contraction $\rightarrow$ Recession?
What Actions Should We Take at a Time Like This?
What Impact will Google Chrome Make on Mini Notebooks?
What Happened to the $100 Laptop?

- It was targeted to the poor students in the under-developed countries.
- Government subsidy is expected.
  - Chinese government?
- Rich foundations are expected to pick up the tag.
  - Gates Foundation?
- What can they use the $100 Laptops for?
  - Educational contents, applications, distribution,....
  - What are the other missing links?
OLPC (One Laptop Per Child)

- Initiated by Prof. Nicholas Negroponte of MIT.  
  - XO PC.
- Championed by Dr. Mary Lou Jepson, who has been diagnosed to have brain cancer.
- This is the most meaningful thing to devote the precious time of her life.  
  - Develop low-cost FPD that consumes only 2% of electricity than existing display panels.
- As long as there is a will, there is way (by Taiwanese laptop manufacturers.)
- $180 USD XO PC became available in 2007.
- Dr. Jepson’s goal is to make happen a $75 XO PC.
Comments or Suggestions?
Role Model -- Swatch

• In-expensive and fashionable
• Highest V/C ratio
  – Low Cost
  – High Value
• OEM service providers generally are limited to thinking about pushing for lower costs.
• Name brand product designers have opportunities to increase value.
New Notebook Market

- Worldwide population is about 6 b.
- Only 1 b people ever used personal computers.
- Low price PC created a new market of another 1 b people.
- M society
  - Name brand notebooks for the rich people.
  - Low price notebooks for the “poor” people?
  - Low price notebooks for the “rich” people in the emerging economies.
Five Lessons Inside Steve Job’s Brain

- Learn to say No.
- Put customers at last.
- Pursue perfection irrespective of cost.
- Hire only the sharpest people.
- Innovation = Understand + Extend + Connect

- Picasso: “Good artists copy, great artists steal.”
- iPod extends from MP3
- iPhone extends from cell phones
Innovation of Eee PC

- Surveyed opinions and experiences of over 1,000 PC illiterate people.
  - Senior people need larger fonts.
  - Voice activate command is even more desirable.
- Look from customers’ perspectives.
- Innovative technologies are developed to meet customers’ unrevealed needs.
ASUS Success in China

- Shipment doubled in 2007. Rose from the 5th to the 3rd notebook branding company in China.
- Maintained over 7-years long-term relationship with 40 wholesale dealers in each province.
- Hired 4,000 part-time college students to assist answering questions, surveying customer comments, and selling ASUS notebooks in 7,000 stores.
- Channel! Channel! Channel!
Why ASUS Faced First Loss in 4Q 2008?

• Overly optimistic about demand of Eee PC.
  – Over stock of components
• Underrated the impact of economic recession
  – Devalued the exchange rate of Euro/Dollar.
• Underrated the strength of Acer + Quanta
• Unexpected intruders – Robin Hood mini NBs in China with Via CPU chip set.
Why are PC and TFT-LCD all moving towards consumer market?
Good Enough and Affordable

- The upscale consumers already have what they need.
- The business market in developed countries are saturating.
- The demand from the middle to upper classes in the emerging economies are growing rapidly.
- Affordable luxuries.
- Flourishing of Robin Hood products in China.
Dell Taiwan R&D Center

- Employed 400 staff.
- Included 11 labs, including acoustics, ventilation, design, etc.
- Established Experience Design Lab in Taipei in April 2008.
- Product functional designs were always done by designers in headquarters at Texas, US.
- Why Dell’s consumer-grade notebook is completely designed in Taiwan?
Advantages

• Close to potential users/market.
• Access to latest PC technologies.
• Competitive environment.
• Quick decision making.