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benq

Benq is the latest Taiwanese vendor to hit our shores, offering consumers and corporates a range of digital lifestyle peripherals. But does this Acer spin-off company have what it takes to get a hefty piece of the action in the competitive UK market

Here at *PC Advisor*, we've talked to most of Taiwan's leading hardware manufacturers over the past six months. Many are interested in reducing their reliance on supplying goods to British, American and Japanese vendors, and building up their own brands instead. When we ask how they're going to accomplish these ambitions in the UK, the response of some is to present you with a product, point out its quality, insist that you review it and that copious column inches be devoted to it. Sadly the world doesn't work like this – especially when your products are virtually identical to those of your rivals.

Acer spin-off Benq, however, with its 20-strong team already amassed at its Bracknell offices in Berkshire, is not such a company. Benq has a commitment to spending some four percent of its 2002 revenue on marketing and a further four percent on research and development,

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so the company is more serious than most Taiwanese vendors when it comes to making a go of it in the UK.

You've come a long way, baby Benq is a young company with a long history. Pronounced 'ben queue' – it was born 5 December, last year, but the vendor's heritage goes back to 1984 when its parent company named it Acer Peripherals, giving it a separate entity within the Acer Group. Then, in a knee-jerk reaction to industry trends, it was renamed Acer CM (Acer Communications and Multimedia) in June 00.

In order to jettison the image of conventional hardware manufacturing associated with Acer, Benq has been spun off as a global brand. That leaves Acer to focus on a tight range of portable products, based around its core of notebooks, while the parent company keeps its 22.38 percent stake in Benq, which will instead try to make headway with a wide ranging line-up of what it calls 'digital lifestyle peripherals'.

Benq has already come some way since launch. All its current flatbed scanners – bar the 3300U – now come with user-friendly buttons on the front, while one-touch iKey calibration is featured on all three of its recently released 20in, 18in and 17in LCD (liquid crystal display) monitors.

Though the product range is broad – with everything from professional home theatre projectors, digital cameras and WLAN

BENQ'S STAR PRODUCTS



AVAILABLE NOW

- **CD-RW** Benq has just launched its CD rewriter, the 48-speed CRW4816P. According to the company this is one of the first CD-RW drives to achieve a maximum 48-/48-speed (read/write). Under optimal conditions, Benq claims an 80-minute CD can be written in less than three minutes. Pricing is still to be announced.
- **LCDs (liquid crystal displays)** Benq has recently introduced three new models to its LCD range. The 20in FP2081, which costs £1,702 ex VAT, is aimed at high-end professional users, while the smaller £766 18in FP882 is more focused on corporate environments that need space-saving devices, such as banks, security businesses, department stores and company reception areas.

Finally, the 17in FP781, retailing at £532 ex VAT, is aimed at fashion-conscious consumers looking to make a statement.

COMING SOON

- **DVD+RW** Earlier this year Benq announced an alliance with Philips Electronics to manufacture a range of next-generation optical storage drives, initially focusing on DVD+RW drives. Expected on UK shores before the end of the year, demand for the upcoming range is likely to be driven by the current boom in PC-based video editing. With the optical storage sector forecast to be a \$15bn industry by 2005, the Benq/Philips Electronics alliance is hoping to grab a healthy slice of the pie.



## made in taiwan

(wireless local area network) equipment to vast plasma displays – it doesn't appear unnecessarily so. Benq's range is not as scattergun as South Korea's LG Electronics' line-up, for example, where in the past a bread maker and a games console player have rubbed shoulders with computer peripherals. Furthermore, Benq intends to test its more ambitious product launches in native Taiwan, before unleashing them on to the UK market which is as yet unfamiliar with the company.

### Products on the horizon

While there are a fair number of 'me too' products characteristic of many Taiwanese companies, Benq can rely on its optical storage cash cow while it dabbles with digital cameras along with everyone else.

According to Benq UK marcom manager, Royce Lye, CRT (cathode ray tube) and LCD displays along with optical storage devices and wireless communication products, will comprise the mainstay of the company's product launches this year. Benq's core products are rooted in traditional AcerCM technology: its cameras come from its expertise in scanners; its wireless kit comes from its experience in mobile phone manufacturing; and its imminent DVD+RW drives come from years of pumping out CD drives.

Lye is refreshingly upfront about Benq's positioning. He concedes there might not be a vast amount of technical difference between his company's WLAN products and those of leading Taiwanese motherboard manufacturers looking to flesh out their export line-up. However, Lye is adamant that Benq's WLAN devices will be competitive on price. He points to the company's

AWL500 WLAN Access Point plus AWL100 PC Card for around £160 ex VAT to back up his claim.

Benq's references to providing products for a 'digital lifestyle' inevitably draw comparisons with the mighty Sony. Lye, however, realistically fends off such comparisons, saying Benq will match Sony on quality, but is more likely to be competing with South Korea's Samsung and LG Electronics in the UK.

A comprehensive distribution network is also coming together, with Northamber and Ingram Micro stocking Benq products, alongside more consumer-facing online retailers like Dabs.com, which hosts an online 'shop within a shop' for Benq at [www.dabs.com/benq/benq.asp](http://www.dabs.com/benq/benq.asp).

### Out of focus

If there is a flaw in Benq's strategy it is the absence of focus on a particular type of customer. "A Benq customer could be anyone, from a kid in his bedroom interested in buying a CD writer to someone purchasing for a major corporate company," says Lye.

Underpinning the Benq philosophy is the belief that we are living a digital lifestyle these days, where the world of work and home has become blurred. The company's product literature is full of invitations to 'beautify your life' with its digital accessories, and Benq itself stands for 'bringing enjoyment 'n' quality to life'.

Mind you, we can't discount Benq on the grounds of a peculiar self-identity. Here in Europe, Philips Electronics – now working with Benq on optical storage devices – continues to enjoy considerable success despite sporting 'Let's make things better' as its mission statement. ■

## PATENTLY OBVIOUS

Benq may be introducing a slew of 'digital lifestyle' products to brighten up your working and resting day, but it's also flying the Taiwanese research and development flag. In the face of skyrocketing development over the Taiwan strait on mainland China, the company plans to stay at least one step ahead of its Chinese rivals, even though it has invested heavily in production facilities in Suzhou, located in the Jiangsu province of China.

The company accumulated a large chunk of intellectual property while part of the Acer group, and now owns more than 670 global patents covering display, imaging and communication products, as well as storage devices.

Research and development is carried out in the Hsinchu Lab in Taiwan, the Suzhou Software Development Centre in China and the Wireless Technology Centre in California. The company is reinvesting four percent of all revenue in R&D over 2002.

In doing so, Benq is hoping to become a key part of Taiwan's much vaunted ambition to become a global research and development hub, amassing a keg of intellectual property patents. By exploiting China's cheap manufacturing base Benq hopes to churn out products cheaply, based on its design patents, and then reap the profit margins which go with selling under your own brand.