

Lenovo creates separate unit for tablets, phones

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Lenovo Group, the world's fourth-largest personal computer maker, expects the market for tablet computers and other mobile and Internet-connected devices to expand so rapidly that it is creating a product group devoted solely to these products.

The company, which is based in Beijing and has U.S. headquarters in Raleigh, N.C., said Tuesday that its new mobile Internet and digital home division will focus on creating tablets, smart phones and Web-connected home electronics, such as television sets.

Given the enormous popularity of Apple Inc.'s iPad, which was released last April, analysts expect tablet sales to jump this year. Technology research firm Gartner Inc. expects that 55 million tablet computers will be shipped this year, most of them still iPads, but there will be room for rivals to vie for sales of the remaining 10 million to 15 million devices.

The iPad wasn't the first tablet to hit the market — Lenovo and others have long offered laptops with swiveling screens that can also function as tablets, for example. But with its sleek design, focus on multimedia and price tag that can be as low as \$499, the iPad was the first that managed to catch on with consumers. Now, major names including Lenovo, Motorola Mobility Inc. and Toshiba Corp. are releasing their own tablets with expectations that the category will finally take off this year.

Plenty of these were on display earlier this month at the International Consumer Electronics Show in Las Vegas. They include one from Lenovo, called the LePad, that runs Google Inc.'s Android operating software. When combined with a keyboard dock, the tablet becomes a laptop computer running Microsoft Corp.'s Windows 7 PC software. The LePad and dock — the combo is called the IdeaPad U1 — are set to roll out in China during the first quarter; Lenovo has not said if and when the product will come to the U.S.

Lenovo's new unit will be headed by Liu Jun, who has been responsible for product development as the head of Lenovo's product group. Peter Hortensius, who had run the company's Think product group, is taking Jun's old post.

Hortensius said Friday that the company decided to split tablets, smart phones and other Web-centric mobile and home devices into their own group so there is a clear focus on these electronics at Lenovo's senior level. The products seem different enough from PCs that it is worth focusing on them separately, he said.

In the U.S., consumers will mostly see tablets coming out of this business unit at first, he said.

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While the iPad was the first to crack the tablet code with consumers, Lenovo, like many other companies, is confident that there's room for other tablets, too. Hortensius expects there to be a "lot of winners and losers" in the market this year.

"This is definitely going to be a very important year in tablets," he said.

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