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Windows Vista PC
Concept
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[Trouble Ahead for Microsoft's Windows OS](#)

Because of the global financial turmoil

There is trouble ahead for Microsoft's Windows operating system. The Redmond company's flagship product is in for a tough run because of the U.S. credit crunch and the global financial problems it generated. In this context, both IDC and Gartner, two market analysis companies, warned that the PC industry have been affected by the impact of the [worldwide economic crisis](#). Still, that is just a part of the picture. If the PC industry is hurt in terms of lower volumes of PC shipments, Microsoft will also be affected with sales of the Windows operating system intimately connected with the company's OEM partners.

The "global PC market finally felt the impact from global economic downturn. The U.S. professional market experienced the biggest hit from the economic crunch. The U.S. home market saw definite softness in PC sales after a few quarters of strong growth," revealed Mika Kitagawa, principal analyst for Gartner's Client Computing Markets group. "The Asia/Pacific PC market was impacted by a slowdown in China. PC growth in Latin America was slow relative to historical levels, but it was still in line with the forecast."

According to statistics made available by [Gartner](#), PC shipments worldwide climbed to 80.6 million units in the third quarter of this year. The figure represents an increase of 15% compared to the same quarter of 2007. Still, Gartner explained that the growth is supported by strong unit sales in the mini-notebook segment with a focus on EMEA, the region composed of Europe, Middle East and Africa. Gartner put Hewlett-Packard in the lead worldwide with 14,7 million shipments and a 18.4% share of the market, Dell in second place with 10.9 million units sold and a market share of 13.6%, and Acer third with 10 million shipments and 12.5%.

[IDC](#) also emphasized computer sales barely managed to meet expectations. IDC claims that OEMs sold 80.1 million PCs worldwide, with HP having a market share of 18.8% and accounting for 15 million sold units. Dell comes in second with 14.2% of the market and sales of 11.3 million units and Acer gets the bronze for a market share of 12.5% and 10 million shipments.

"The difficult economic environment accelerated toward the end of the third quarter. The commercial segment has been constrained due to tight IT budgets, while back-to-school spending helped somewhat in maintaining momentum," said Doug Bell, research analyst, Personal Computing. "IDC expects the ongoing economic woes in the U.S. to further impact consumer and commercial PC spending during the holiday season."

No less than 80% of the revenue attributed to the Windows Client division comes from original equipment manufacturers, namely sales of Windows operating systems pre-loaded on personal computers. In this context, if the PC industry slips, Microsoft will also slip. Of course, Microsoft is not relying strictly on sales of Windows in order to survive. In the 2008 fiscal year, sales of Windows generated a revenue of [\\$14.45 billion](#) out of the company's total \$68.0 billion.