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Windows Vista  
Microsoft

## [Vista SP1 and XP SP3 Have Failed to Break the Market's Windows Fatigue](#)

### *Windows is losing ground to OS X and Linux*

Statistics for the operating system market come in different flavors and from a variety of sources but they all have one thing in common: indicating that Windows is losing ground to Mac OS X and Linux. As far as Microsoft is concerned, it reached the apex of the operating system market with the launch of Service Pack 2 for Windows XP back in 2004. Since then, it has been all down hill for the Redmond giant. Sure, the slope is by no means steep enough for a hard Windows fall, just sufficiently inclined through the erosion produced by Mac OS X and Linux that the ground is slipping from under Microsoft's proprietary platform, slowly but surely...

While Windows is not at risk from a landslide, it has been on a downward trajectory for the past years, with consumers suffering from Windows fatigue, and increasingly looking for alternatives. Recent releases such as Windows Vista in 2007, and Vista Service Pack 1 as well as Windows XP Service Pack 3 have done little to impact the general trend. As of May 2008 Windows is credited with 91.13% of the operating system market according to Net Applications, with 91.11% by W3Counter and with 95.94% by OneState (but only as of April 2008).

In January 2007, when Windows Vista hit the shelves, Net Applications revealed a share of 93.33% for Windows, approximately two percent higher than in January 2008. Back in July 2007, OneStat gave Windows a share of 96.97%, also larger than the 95.94% from a couple of months ago. W3Counter seem to be on par with Net Applications indicating that Windows was at 93.6% of the market in May 2007, and as low as 91.11% in the past month.

### **Windows Saturation**

The release of [Service Pack 1 for Windows Vista](#) and of [Service Pack 3 for Windows XP](#) has done little to help break what appears to be a generalized and accentuating case of Windows fatigue. Net Applications stated that SP3 for XP failed to impact the operating system's continuous market share lost for over a year. Even with SP3 available as of May 6, 2008, XP continued to lose audience and is down from 73.07% in April to 72.12% the past month. Vista continues to climb in statistics, but SP1 didn't deliver the kick needed to accelerate growth to the levels where focus will no longer shift to XP SP3, Windows 7 or rival products. Vista only climbed from 14.02% in March to 15.26% in May.

Statistics from W3Counter indicate a similar trend with XP dropping from 78.56% to 78.24% in the past two months while Vista jumped from 7.34% to 7.69%. It's not that Microsoft can't spare a few tens of millions of users, and it's not that a large proportion of the Windows audience is shifting toward Mac OS X and Linux, but the Redmond company is finding it harder and harder to boost its share on a market already saturated by its operating system. The software giant is indeed at the top, but the only way is not necessarily down, even if the general trend seems to contradict this perspective.

### **Windows Vista, the Default Growth**

[Windows Vista](#) climbed up in the space occupied by Windows XP to claim the second most used operating system on the market since mid-2007. Since the January 2007 launch, Vista's growth has somewhat stabilized at around 10 million units per month. At the end of March 2008, Microsoft revealed that it had sold over 140 million Vista licenses worldwide. As of May, Chief Executive Officer Steve Ballmer claimed that Vista had passed the 150 million mark.

W3Counter puts Vista at 7.69% in May 2008 compared to 1.91% the same month of the past year. In March 2008, OneStat indicated that in its statistics, Vista is at 13.76% up from July 2007 when it accounted only for 12.72%. Net Applications reveal the most consistent growth for the latest Windows client, from 0.93% in February 2007, to 15.26% in May 2008.

Without establishing the records Microsoft was aiming for it, Vista's adoption rate does not qualify the operating system for a failure by any measure. However, the biggest catch behind the uptake of Vista is the fact that it is almost entirely governed by the sales of new OEM computers. Original equipment manufacturers are responsible for over 80% of the revenues of the Windows Client Division, and concomitantly for the largest volumes of sales of the new Windows operating systems.

A very accurate prediction is that Windows Vista adoption will only accelerate after June 30, 2008, when XP is no longer available through retail and OEM channels. With only Vista preloaded on new machines, there is nowhere to go but up for the latest Windows client. Still, even at over 10 million new licenses a month, Vista will remain far from the dominant OS on the market, Windows XP.

### **Don't Expect Miracles from Windows 7**

Even though Windows Vista has taken all the heavy hits, acting as a buffer release for Windows 7, the next iteration of Microsoft's proprietary operating system will drop in a market which has started to experience Windows fatigue for a number of years. But unlike Vista, Windows 7 will benefit from the get go from a mature ecosystem of software and hardware products. Microsoft is essentially promising a Windows 7 apple which will fall far from the Vista tree, while at the same time featuring the same architecture as its predecessor, in terms of the kernel, and the graphics and audio subsystems, security and search functionality, etc.

In January 2007, data from Net Applications placed Mac OS X at 6.22% of the operating system market and Linux at 0.35%. In over a year, the market share of Windows' rivals went up to 7.83% and respectively 0.68%. OneStat claims that Mac OS X jumped from 1.79% in July 2007 to 2.18% in April 2008, and Linux to just 0.42% from 0.36%, while W3Counter gives OS X 4.73% in May 2008 up from 3.72% in the same month in 2007.

Both Mac OS X and Linux have been slowly converting the default audience of Windows now looking for additional solutions on top of what Microsoft has to offer. The most consistent growth is that of Apple, because of the winning hardware plus operating system combination. This is something that only the Cupertino-based hardware company can deliver, without Microsoft or a Linux distribution vendor being able to match it.

Microsoft is indeed working with its OEM partners harder than ever in order to produce bundles that will rival the Mac computers and OS X in terms of consumer appeal. This month, it has become clear that the Redmond company's main weapon against Apple will be the [natural user interface](#). Delivering an entirely new interaction model as mainstream technology might seem like a big bet for Microsoft, with traditional Windows users

experiencing instincts to resist such a move.

However, touch, gestures, voice commands, object and motion recognition will become a standard model of interaction in the future, and Windows 7 has the largest potential to bring this niche technology to the masses and get it adopted fast. At the same time Apple is not exactly standing still, as touch-based interfaces are already widely available in products such as the iPhone and the latest Mac models. At this point in time, it seems that Linux will be the last comment at the natural user interface feast, unless the major developers of Linux distribution take matters into their own hands and convince OEMs to do for the open source operating system what they are doing for Windows 7.

### **Good, Old XP**

Innovation is a mandatory item in the recipe for Windows 7 if the next iteration of Windows attempts to stop its install base from migrating to Mac OS X and Linux. But Windows 7 is planned to drop at the end of 2009, and for the time being Windows Vista proved incapable of not letting the Windows momentum from slowing down. But don't count XP out just yet. Vista's predecessor will continue to have a consistent impact even after Windows 7 will be made available. This because Windows XP is no less than Microsoft's way of reaching the [next five billion users](#).

The Redmond company has already committed to offering Windows XP Home Edition until 2010 or one year after the release of Windows 7, whichever comes first, on ultra-low-cost mobile and desktop computers. While ultra-low-cost machines will be sold in developed countries, the focus falls on first time users in emerging markets, where Microsoft has identified the next five billion potential customers. But, here, the company has to first fend off Linux, whose biggest advantage is the fact that it is free.