

Goldman Sachs: Windows Compute Market Share Down

Written by Marco Attard
14 December 2012

According to a Goldman Sachs report acquired by The Seattle Times, Windows lost massive share in the global compute market-- from being the OS of choice in 97% of all computing devices in 2000 to just 20% in 2012.

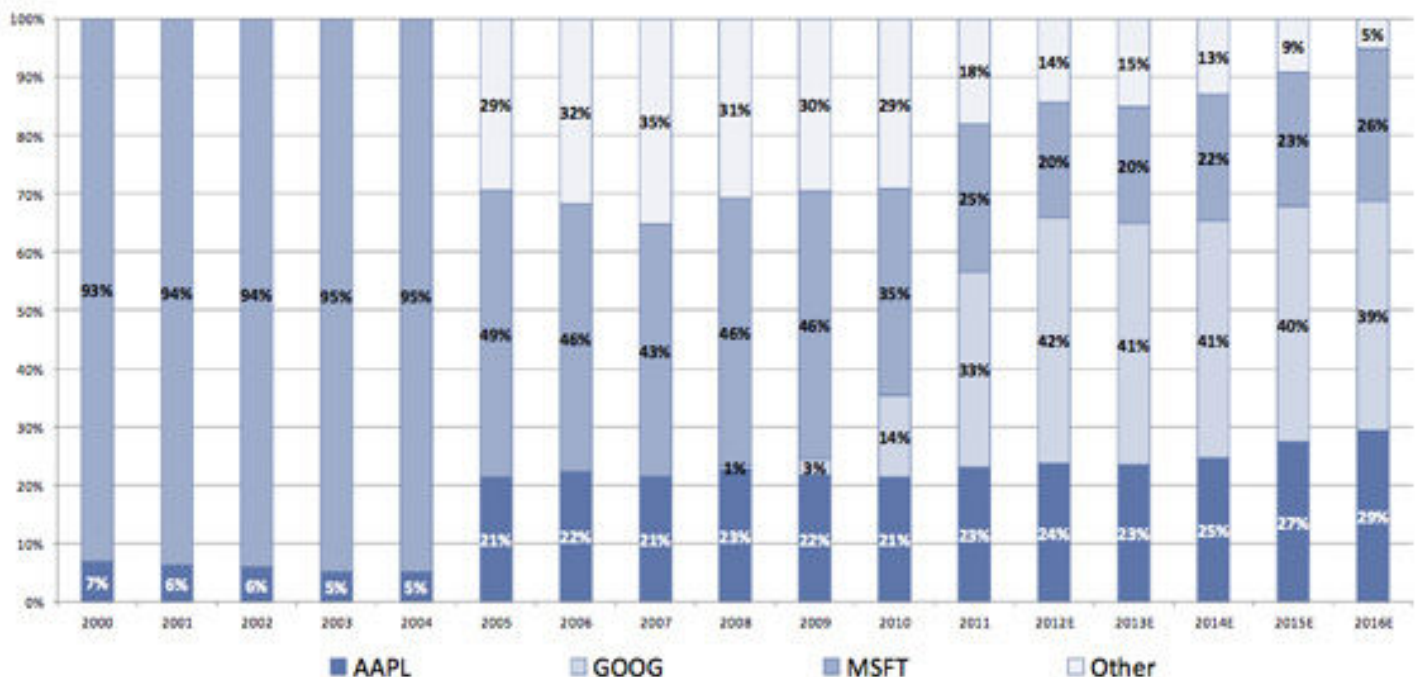
The reason for such a drop? The mobile device explosion, of course.

When one (as Goldman Sachs does) counts smartphones and tablets with laptops and PCs Google is 2012 platform leader-- Android OS resides in 42% of global computing devices.

Apple comes 2nd, with the combination of OSX and iOS taking over 24% share. Interestingly Apple share jumped massively during the 2004-2005 period (from 5% to 21%), a shift Goldman Sachs attributes to the "more mainstream adoption of non-PC consumer computing devices."

Exhibit 1: Vendor share of consumer compute, 2000-2016E

Shift from single-vendor dominance (MSFT) to multiple vendors (AAPL, GOOG, MSFT, Other)



Source: IDC, Goldman Sachs Research.

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Microsoft follows with just 20% share.

Goldman Sachs describes 2012 as a "critical" year for Microsoft if the company wants to expand its share of the consumer compute market-- a market, one has to emphasise, is rather influential on an enterprise sphere in the days of the BYOD trend.

According to the report the Windows maker might recapture share through Windows 8 and Windows Phone 8, but Apple will remain the bigger player at least until 2016.

"Microsoft faces an uphill battle (though not insurmountable) given it lacks meaningful share in either tablets or smartphones," Goldman Sachs says. "As such [it] will need to rely on its appeal to knowledge workers to help drive adoption as its complement ecosystem will remain behind the iOS and Android platforms at least over the next 6-12 months."

Goldman Sachs also believes tablets will "move into more of an anchor position" influencing on the choice of smartphone consumers acquire. Thus, having a "credible tablet" is "strategic imperative" for both Microsoft and Google.

However the analyst acknowledges that divining the future of computing space is tricky business at best. What if another device category disrupts the market just like tablets have done? Goldman Sachs believes that might happen with smart TVs and set top box devices such as the Apple TV, Google TV and Microsoft's Xbox console.

Will consumers start matching their smartphones and tablets to their TVs? If that will be the case, Microsoft might have an ace up its sleeve-- online communications assets from the Skype acquisition.

Go [Goldman Sachs: Microsoft Has Gone from 97% of Compute Market to 20% \(The Seattle Times\)](#)