



STATSGURU: What the Windows 10 launch means for Microsoft

THE RELEASE of Windows 10 is Microsoft's attempt to correct some of the stutters of the past few years. As Table 1 shows, Windows 8's two versions never really managed to displace Windows 7 on the world's desktops and laptops.

Microsoft still dominates PC operating systems, however, with the nearest competitor, Apple's OS X, at just below five per cent.

When it comes to mobiles or tablets, however, mobile-ready Windows 8 failed to displace Android or iOS, which have divided the market between them, as Table 2 shows.

As Table 3 shows, one of Microsoft's worries is fragmentation of the Windows market. As late as 2009, one version of Windows — XP — had almost 80 per cent of PCs and tablets, but neither Vista nor Windows 7 managed to replicate that dominance.

The challenge is to get XP and Windows 7 users to switch to Windows 10, a double challenge in price-sensitive India, where, as Table 4 shows, XP — more than a decade old — has almost a quarter of systems, more than double its worldwide proportion.

Another attempt in Windows 10 will be the effort to revive Internet Explorer — as Table 5 shows, Windows' native browser has

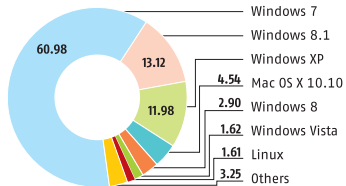
only 12 per cent of market share.

For Microsoft Corporation, the attempt will also be to get net income growing — as Table 6 shows, the stagnation of its earnings is a sharp contrast to its fellow behemoths, Google and Apple Computer.

Both also comprehensively outscore Microsoft in earnings per share, shown in Table 7. Unsurprisingly, its stock price was relatively stagnant for years — although, as Table 8 shows, there was a bit of a rally in the past couple of years.

1: WINDOWS 8 COULDN'T DISLodge WINDOWS 7...

Market share of desktop operating systems in June 2015 (%)

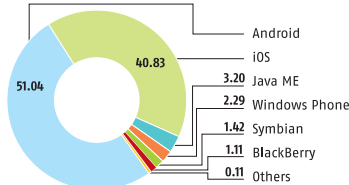


Source: netmarketshare.com



2: ...NOR UNSEAT THE LEADERS IN THE MOBILE SPACE

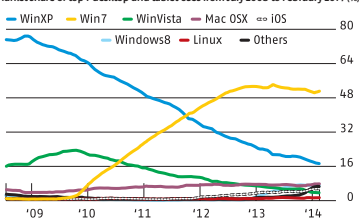
Market share of mobile/tablet operating system in June 2015 (%)



Source: netmarketshare.com

3: VISTA OR WINDOWS 7 COULDN'T REPLICATE XP'S SUCCESS

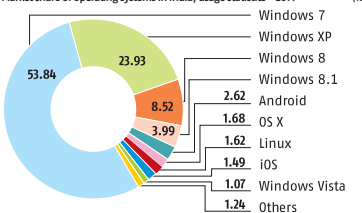
Market share of top 7 desktop and tablet OSes from July 2008 to February 2014 (%)



Source: StatCounter.com

4: A QUARTER OF DEVICES IN INDIA RUN WINDOWS XP

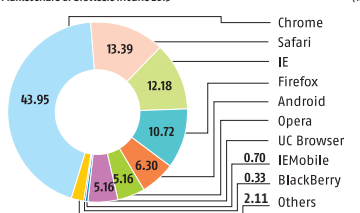
Market share of operating systems in India, usage statistics - 2014 (%)



Source: StatCounter.com

5: INTERNET EXPLORER HAS ONLY 12% MARKET SHARE

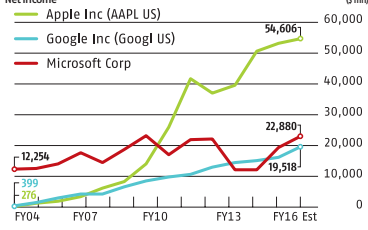
Market share of browsers in June 2015 (%)



Source: StatCounter.com

6: MICROSOFT'S EARNINGS ARE STAGNATING...

Net income (\$ mn)

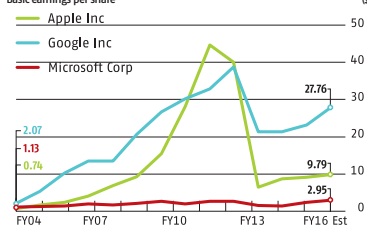


Note: FY15 and FY16 figures are estimates

Source: Bloomberg

7: ...AND ITS EARNING PER SHARE WAS LOW...

Basic earnings per share

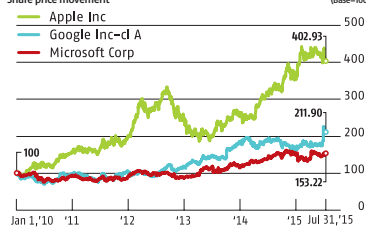


Note: FY15 and FY16 figures are estimates

Source: Bloomberg

8: ...ITS PRICE, STAGNATING FOR LONG, RALLIED RECENTLY

Share price movement (Base=100)



Source: Bloomberg