

Microsoft Extends Windows Support to Prevent Defections to Linux

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Gartner believes that Microsoft extended Windows 9x support until mid-2006 to discourage Linux adoption in emerging markets. Enterprises migrating from Windows 98 or Windows Millennium Edition (Me) should continue as planned.

NEWS ANALYSIS

Event

On 12 January 2004, Microsoft announced it would extend support for Windows 98, Windows 98 Second Edition (SE) and Windows Me through 30 June 2006. Support for Windows 98 and 98 SE had been set to expire on 16 January 2004, and Windows Me on 31 December 2004. Microsoft said this decision accommodates customers worldwide who still depend on these operating systems and provides more time to communicate Microsoft's product life cycle support guidelines — particularly in smaller and emerging markets.

Analysis

Microsoft's decision to extend support for these three products comes too late for most enterprises to do any effective planning. Enterprises should not slow down plans to move off Windows 98 — support for Windows 98 on newer hardware and software is sporadic, and slowing down a move only prolongs the inevitable.

According to Gartner's latest (although not statistically significant) survey (representing more than 2 million PCs from a self-selected audience), about 5.7 percent of PCs at respondent companies ran Windows 98 (both flavors) in October or November 2003. These same companies planned to have 0.3 percent of their PCs running Windows 98 by year-end 2004.

Windows NT Workstation v.4 (NTW4), for which Microsoft did not extend support on 12 January 2004, will represent a much bigger problem for enterprises. Nineteen percent of PCs at respondent companies ran NTW4, and an expected 6.4 percent will still do so by year-end 2004. Worldwide, including consumers, small business and areas less likely to be in our survey, we believe that about 26.7 percent of PCs ran Windows 98 and Windows 98 SE at year-end 2003 and that 15.3 percent will still run them by year-end 2004. These numbers are significantly higher than the percentage of the general population running NTW4, which is 6.4 percent at year-end 2003 and forecast to be 3.1 percent by year-end 2004 (see "PC Market by Operating System: Worldwide, 2001-2007").

At this point, most of the population still running Windows 98 may be less motivated to make, and less able to afford, a quick move to XP and may be more interested in Linux compared with those still running NTW4. Thus, Microsoft runs more risk for less benefit to push these users to upgrade than for large enterprises running NTW4, where Microsoft has more opportunity for upgrade revenue and where Linux is less of a threat.

For enterprises that still have some users on Windows 98, this announcement does lower the risk. However, these enterprises should continue the migration to newer platforms (preferably Windows XP, at this point). Windows 2000 and XP are more stable and manageable than Windows 98.

Analytical Sources: Michael Silver and Annette Jump, Gartner Research

Recommended Reading and Related Research

- "Predicts 2004: Client-Side Windows Adoption" — In 2004, many enterprises will finally migrate from all Windows 9x and Windows NTW4 products. **By Michael Silver**
- "Linux on the Desktop: The Whole Story" — Enterprises with older versions of Windows should estimate all of the costs involved with switching to the Linux platform. **By David Smith, Robin Simpson, Michael Silver and Leslie Firing**

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