

Vista Coupons: Midsize and Large Organizations Need Not Apply

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Microsoft's Express Upgrade to Windows Vista program provides low-cost upgrades to the new Windows version for users that buy the current version. But a limit of five per buyer excludes all but the smallest businesses.

NEWS ANALYSIS

Event

On 24 October 2006, Microsoft announced the Express Upgrade to Windows Vista and the Office Technology Guarantee programs. These programs enable consumers and small businesses to get free or low-cost upgrades to Windows Vista and Office 2007 if they buy a PC pre-loaded with Windows XP or Office 2003 between 26 October 2006 and 15 March 2007. Boxed versions will also be eligible for upgrades on request. Separately, Microsoft announced that Office 2007 will appear on Select and Open price lists as of 1 November 2006.

Analysis

These are the "coupon" programs we first discussed in [a 17 August posting on Gartner's Windows Vista blog](#), after reports of the program emerged in advance of this formal announcement. Microsoft is targeting consumers and small businesses with these programs.

As for larger organizations, those with Software Assurance (SA) in effect on Windows and Office will already receive licenses for Vista and Office 2007 as soon as they appear on the Select price lists. Because Microsoft announced that Office 2007 will be on price lists as of 1 November, organizations without SA on Office should specify Office 2007 on all purchases (they will have to pay the 5% price increase), but should be able to get Office 2007 if Office 2003 is ordered in error.

With regard to Windows, organizations that do not have SA — and that rely on new PC purchases to get original equipment manufacturer (OEM) copies of Windows — should be aware that OEMs probably will not ship Windows Vista on new PCs until late January 2007. These organizations are also not eligible to take advantage of Express Upgrade on any more than a handful of the new PCs they buy because there is a limit of five upgrades per organization. Because the upgrade is administered by the OEMs, however, organizations should ask their OEM if they can receive an exception to the limit. Even if these organizations don't intend to use the upgrades right away, they're worth having in case the PCs are upgraded a year or two into the future. Another option is to delay new PC purchases until they come with Vista licenses; however, that will mean deferring them past the end of the year, beyond the range of any budgets that must be spent by 31 December 2006.

RECOMMENDATIONS

Midsized and large organizations without SA in effect on Windows and Office should do the following:

- If Windows Vista licenses are desired on newly purchased PCs, delay new PC purchases into February 2007 (assuming OEMs don't ship Vista pre-installed until the end of January), or ask your OEM if it is willing to grant you an exception to the Microsoft-defined limit of five free upgrades.
- Customers interested in purchasing Office products with SA should do so prior to 1 November, if possible, to avoid paying the 5% price increase that will accompany the 2007 version. Customers interested in purchasing licenses of Office without SA should do so after 1 November so that they are eligible to use the 2007 version.

RECOMMENDED READING

- "Microsoft Desktop Optimization Pack: Benefits With a Catch" — This new set of tools addresses the Windows client SA value gap at an attractive price, but there is significant lock-in to SA. **By Michael Silver**
- "Exclusives Provide Pressure for Windows Client SA" — Some organizations will see substantial value in the latest exclusive content offered with SA, while others will see less value but feel forced to sign up anyway. **By Michael Silver and Alvin Park**

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