

IT Channel News:

Google Android OS on netbooks: An intriguing proposition

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02 Apr 2009 | SearchITChannel.com

By getting Hewlett-Packard, Dell and other hardware OEMs to consider the Android operating system for their netbooks, Google has ripped a page right out of Microsoft's playbook.

HP and Dell, both allies of Microsoft on many fronts, may preload the Google Android OS rather than Windows on at least some netbooks. That consideration gives Android instant credibility on small PCs, VARs said -- even if the PC makers are using Android to beat price and licensing concessions out of Microsoft, as many partners suspect. Thus far Android is primarily an OS and development platform for mobile phones, but Google clearly has ambitions beyond that.

Microsoft decimated Netscape's overwhelming lead in browsers largely by offering Internet Explorer for free while Netscape tried to charge for its full featured browser. Microsoft charges every OEM a fee for bundling Windows on each machine. The biggest hardware OEMs reportedly pay Microsoft \$15 per netbook for Windows XP, whereas Google charges nothing. And resellers agree, it's always hard to beat free.

Still, Microsoft has faced down any number of OS threats over the years and has succeeded in minimizing market share growth of Linux and Mac, some partners said.

"Bringing any new OS into the market is a very big uphill battle, no matter who embraces it," said Paul Clifford, president of The Davenport Group, a St. Paul, Minn. solutions provider. "Look at Linux. It's a marvelous OS endorsed by IBM early on, and it still hasn't penetrated the way people expected it to. Oh, and by the way, it's great."

Microsoft is also known for meeting competitive threats head on and has said Windows 7 will be a good netbook OS. Should Android make headway, many observers said Microsoft will do what it has to do in terms of pricing and licensing concessions.

Traditional Linux is backed by many players, but they are somewhat fractured. Android, on the other hand, is Linux tweaked and re-branded by Google. And that is why Microsoft, by most accounts, has all hands on deck.

"For the first time, Microsoft faces a credible threat on the desktop, which they haven't seen since, what, the Eighties?" said Todd Swank, vice president of marketing for Nor-Tech, a Burnsville, Minn.-based system builder. "Sure, Mac has 9% share and there's Linux, but Linux has no organized group behind it. Android is Linux backed by Google."

Many partners that write custom applications relish the choice both on phones and netbooks, which are the fastest-growing PC platform now.

"I would say there's room for another OS," said Michael Cizmar, president of MC+A, a Chicago custom application development house that works with Google appliances and APIs as well as the iPhone and Windows Mobile. "There will be two platforms. One will be Microsoft, and one will be Android."

"Android is very attractive to developers because they can use their skills," Cizmar continued. "The iPhone is still very closed and requires a special set of skills to develop for. The only reason you go there is because of consumer popularity."

Other cell phone-oriented platforms are pretty specialized and closed, he added.

This battle matters because netbooks are selling well relative to the rest of the PC market. Vista is not an option on this class of machines, and Windows 7 is still months away.

HP bundles Windows on all its machines, has a large Microsoft-related services business and inked a big Microsoft Live Search deal this summer. Live Search is Microsoft's underdog rival to Google's Web search.

"Nothing surprises me at this point," said David Dadian, CEO of PowerSolution.com, a Ho-Ho-Kus, N.J. solutions provider.

But he said his company has seen customer interest in netbooks in some accounts.

"We see some fits where the company's sales force and even telemarketing want netbooks," he added. "They're running apps from a browser, so it makes sense."

One issue for the Google Android OS is that cost-conscious customers are happy with Mozilla and StarOffice or OpenOffice running on Linux. It was unclear to Dadian what advantage Android would bring. Either way, the Microsoft Windows platform will be pressured on price.

Netbooks need to be in the \$300-to-\$400 range, and Android could help HP, Dell and others stay there, he said.