

## Google To Launch Its Own Operating System

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*Editor's Note: This makes a lot of sense on Google's part. The software doesn't have to be wedded to the machine, and web-based applications are gaining in popularity in the mainstream..*



SUN VALLEY, Idaho (Reuters) - Google Inc is planning a direct attack on Microsoft Corp's core business by taking on the software giant's globally dominant Windows operating system for personal computers.

Google, which already offers a suite of e-mail, Web and other software products that compete with Microsoft, said on Tuesday it would launch a new operating system that will initially be targeted at netbooks.

Called the Google Chrome Operating System, the new software will be in netbooks for consumers in the second half of 2010, Google said in a blog post, adding that it was working with multiple manufacturers.

Netbooks are low-cost notebook PCs optimized for Internet surfing and other Web-based applications.

"It's been part of their culture to go after and remove Microsoft as a major holder of technology, and this is part of their strategy to do it," said Rob Enderle, principal analyst at Enderle Group. "This could be very disruptive. If they can execute, Microsoft is vulnerable to an attack like this, and they know it," he said.

Google and Microsoft have often locked horns over the years in a variety of markets, from Internet search to mobile software. It remains to be seen if Google can take market share away from Microsoft on its home turf, with Windows currently installed in more than 90 percent of the world's PCs.

The news comes as executives from the world's biggest technology and media companies, including Google and Microsoft, gather in Sun Valley, Idaho for an annual conference organized by boutique investment bank Allen & Co.

A spokesman for Microsoft had no immediate comment.

Key to success will be whether Google can lock in partnerships with PC makers, such as Hewlett-Packard Co and Dell Inc, which currently offer Windows on most of their product lines.

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Published on Electronic Component News (<http://www.ecnmag.com>)

HP, the world's largest PC brand, declined to confirm if it would sell PCs running on the new operating system.

"We are looking into it," said HP spokeswoman Marlene Somsak, referring to the operating system. "We want to understand all the different operating systems available to customers, and will assess the impact of Chrome on the computer and communications industry."

Google's Chrome Internet browser, launched in late 2008, remains a distant fourth in the Web browser market, with a 1.2 percent share in February, according to market research firm Net Applications. Microsoft's Internet Explorer continues to dominate with nearly 70 percent.

## **FAST AND LIGHTWEIGHT**

The new Chrome OS is expected to work well with many of the company's popular software applications, such as Gmail, Google Calendar and Google Maps.

It will be fast and lightweight, enabling users to access the Web in a few seconds, Google said. The new OS is based on open-source Linux code, which allows third-party developers to design compatible applications.

"The operating systems that browsers run on were designed in an era where there was no web," Sundar Pichai, vice president of product management at Google, said in the blog post. The Chrome OS is "our attempt to re-think what operating systems should be."

Google said Chrome OS was a new project, separate from its Android mobile operating software found in some smartphones. Acer Inc, the world's No.3 PC brand, has already agreed to sell netbooks that run on Android to be released this quarter.

The new OS is designed to work with ARM and x86 chips, the main chip architectures in use in the market. Microsoft has previously said it would not support PCs running on ARM chips, allowing Google an opportunity to infiltrate that segment.

Charlene Li, partner at consulting company Altimeter Group, said Google's new OS could initially appeal to consumers looking for a netbook-like device for Web surfing, rather than people who use desktop PCs for gaming or high-powered applications.

But eventually, the Google OS has the potential to scale up to larger, more powerful PCs, especially if it proves to run faster than Windows, she said.

Google did not say how much it would charge for the operating system (OS), but Enderle expects Google to charge at most a nominal fee or make it free, saying the company's business model has been to earn revenue from connecting applications or advertising.

Microsoft declines to say how much it charges PC brands for Windows, but most

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analysts estimate about \$20 for the older XP system and at least \$150 for the current Vista system.

Li added: "A benefit to the consumer is that the cost saving is passed on, not having to pay for an OS."

"It's clearly positioned as a shot across the bow of Microsoft," she said.

**Source URL (retrieved on 07/31/2014 - 2:56am):**

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