

Desktop PCs

still essential

Desktop PCs remain an appropriate choice for certain markets.

By DUDU SHABA

The South African desktop market can expect to see modest growth in 2008, as notebook sales continue to eat into the traditional desktop market.

This is according to Michel Darebny, product manager for desktops and servers at Acer SA. He says that slight but sustainable growth can be expected in the desktop market as corporates refresh their PC infrastructures and high-end home users, such as gaming enthusiasts, continue investing in powerful desktop computers.

"The desktop market is in no danger of extinction. In markets where performance and functionality are more important than mobility desktops are being created for specific purposes such as the ultra-small form factor," says Darebny.

While it is no secret that personal computing is rapidly going mobile, desktops are holding their own in SA, with well over one million still being sold annually. Kobus de Beer, Components Lead, Axiz, attributes much of this to the rapid emergence of entry-level users preferring desktops because of their cost-effectiveness and, more importantly, their customisation benefits.

De Beer agrees that industry leaders are probably not far off when they predict global notebook sales will have reached at least 200 million by 2011.

"Mobility is, after all, what users are demanding. Yet, at the moment, desktop sales are twice as high as mobile offerings in SA and hold great appeal as the only platform that still supports Quad-Core CPUs. We also have the benefit of a huge first-time buyer market that prefers desktops to mobile because of cost," he says.

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Although notebook sales have overtaken PC sales, Mandy Porter, Dell Business Unit Manager, Drive Control Corporation, comments that there is still a place for PCs.

"This is reflected in a recent IDC report where 20 per cent growth in PC sales in the Central Europe Middle East and Africa (CEMA) region is predicted.

There are three areas where PCs offer an advantage, for applications that require raw horse power, for gamers and users that are cost conscious," he says.

In addition to that, he says that certain markets will always require PCs rather than notebooks.

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choice. This ensures there is still a market for PCs," he comments.

"Despite numerous predictions of its eminent fall, the desktop PC market is still very strong, contributing up to 50 per cent of all PC sales," agrees Kobus Kitshoff, Fujitsu Siemens Computers Channel Manager at Comztek

Meanwhile, Gary Naidoo, deputy MD, Sahara Computers, comments that the desktop market continues to show steady growth as the PC attachment to South African households is still very low.

Trends

Tracking the route that desktop PCs are taking, Kitshoff says that the introduction of dual-core processors about two years ago proved to be very popular in both the desktop and notebook markets and this soon became the standard in all new desktops sold.

"Although relatively new, quad-core technology has seen significant uptake in the market. Like its predecessor, quad-core processors are set to become an industry standard in desktops but it will be a while before they become mainstream," he comments.

Jason McMillan, GM, HP PSG, Tarsus Technologies, says that few customers understand how cost-effective dual- and quad-core processors are.

"Many companies have steered clear of these technologies perceiving them to be more power hungry than single-core processors. In reality, the exact opposite is true, Intel and AMD have made their processors extremely power conscious," he comments.

He goes on to say that today's dual- and quad-core processors are, in fact, more power efficient than their single-core predecessors.

"Astoundingly, if the power savings that an organisation can realise by going dual or quad core is factored out across a fleet of 25 000 units, the savings in electricity would go a long way towards absorbing the cost of the roll-out," he says.

De Beer says that consumers are demanding more powerful computing applications and that they are increasingly concerned about energy efficiency. Intel, he

says, is leading the field here, with its current generation of desktops, notebooks and mainstream server processors based on Intel Core micro-architecture being the most energy efficient it has ever produced.

"The need to use less energy is increasing everyday. Intel is the driving force in new designs to support this initiative, and we eagerly await the introduction of the Atom CPU, Intel's smallest processor built with the world's smallest transistors.

"It is based on an entirely new design, built for low power and designed specifically for a new wave of mobile Internet devices and simple, low-cost PCs," says De Beer.

"We see more speed, storage, lower power consumption, typical of modern multimedia demands. The Internet continues to drive technology," comments Naidoo.

Windows Vista

Despite the hype, De Beer does not predict that the release of Windows Vista SP1 will spur growth in desktop sales in the second quarter of this year.

"This is just speculation and it comes with the perception that Windows Vista will become the operating system of choice, especially in the SME and corporate markets but only time will tell. In my opinion, SP1 will not directly increase the sales of desktops but it will make users consider going the Vista route. We are starting to see some adoption from the consumer space but corporate customers are choosing to stay with Windows XP for as long as possible. And some people never want to change, we still get requests for Windows 98," he says.

"We started to see improved growth in the first half of the year and believe that we will see significant growth in the second half," says Naidoo.

Security

As mobile devices are becoming more pervasive, security is another concern among PC users. Kitshoff says that remote support and additional hardware security are important for protecting PCs from viruses and other security threats.

"The cost implications of adopting new security platforms does impact the purchasing decision and most ICT managers will



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base their decision on overall pricing rather than features," he says.

Porter also raises her concern, she says that security is a risk with desktops, notebooks, and servers, and adds that even cellphones are vulnerable to viruses and security threats.

"Dell has included a three-year licence for Symantec's Norton Anti-Virus software on its notebooks and desktops to address the concern," she says.

"Vendor choices, together with more sophisticated software, address this very important business requirement," adds Naidoo.

Battle between OEMs and multinationals

Looking at the battle between OEM PC brands and multinational brands in the local market, Porter believes that competition is healthy and there is always room for

competitive products, including OEM brands.

However, Porter says that the first-tier brands often offer value adds. "Dell's three-year next business day warranty and its stringent factory testing make it extremely competitive. This is beneficial to resellers as it allows them to concentrate their energies on business instead of having to resolve maintenance and repair issues," says Porter.

According to De Beer, the multinationals continue to dominate the desktop market, and he predicts that local manufacturers will find it increasingly difficult to maintain this momentum. He states that international vendors have adopted an increasingly aggressive approach to the South African market, and emerging markets in general.

"The international vendors have changed their marketing strategies and have become aggressive in terms of pricing,

features, after-sales support and innovative solutions. While I foresee the multinational brands continuing to gain traction locally, there is still a great deal of opportunity for OEM brands and much room for value-added services here," he says.

Effects of mobile computing

Does mobile computing have effects on the traditional desktop PC platform? According to Porter, mobility, 3G, wireless LANs and Bluetooth are all driving sales of notebooks and mobile computing. She believes that this is what increases productivity as it allows people to work anytime, anywhere. However, there is still a requirement for desktops as not every job or position requires mobility.

"Think of office or administration staff that does not need to be 'mobile'. Government and the education market are other examples of where there is still a requirement for PCs and this is unlikely to change in the foreseeable future," Porter comments.

Future

MacMillan believes we will continue seeing growth in the desktop market, although he says that channel players will have to work hard to capitalise on it.

"Furthermore, I believe that technology will become even more commoditised over the coming years, which is something that will truly separate those who can add value from those who can't.

"Those who can add value will continue to thrive and reap the rewards of their efforts," he concludes.

According to Kitshoff, the biggest change in buying behaviour is with the consumer market moving towards notebooks as they become increasingly affordable. He says that 3G connectivity has also made notebooks more attractive than desktops.

"Nonetheless, the corporate environment still prefers desktops due to applications usage and network connectivity," he comments.

"Desktops will always have a place in the market. Specialised applications and offices will continue to use desktops. The desktop market size will surely decrease in years to come but it will still be a long while before this happens," concludes Kitshoff. ★

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