

Netbooks, Nettops, MID

Low Cost PC Forecast

Report Number

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Key Findings

Mobility for the digital consumer has become more than a lifestyle, but rather a way of life. Now days a smart phone or at least an internet-connected feature phone is an absolute requirement for the mobile user as is toting around a portable notebook computer. Back in 2006, a couple of companies noticed a gap in the mobile product offerings for a low cost, small form factor basic notebook-like computer that could browse the internet. Thus, the basic Netbook, low cost laptop computer was conceived. Concurrently, Intel developed a low power, single core processor called the Atom that was able to power the Netbook and they thought could also power an upgraded smart phone / downgraded notebook called the Mobile Internet Device (MID). After the Netbook became quite a success in 2007 and early 2008, Intel migrated the Atom processor to a small form factor desktop PC called the 'Net-top' PC. These three low cost PC devices form a new niche that could potentially capture a significant share of the notebook market and some portion of the low cost PC and smart phone markets.

Netbooks have risen to prominence within the computing industry as the most viable and new computing platform since the introduction of the notebook. MIDs and then the nettops are vying to establish themselves on a lesser scale. All three devices use Flash-based SSDs or hard disk drive at low capacity ranges or in a few cases a combination of SSD and HDD. The adoption rates for SSDs is forecast to increase quite rapidly for MIDs followed by netbooks and then nettops, which is driven by price (at low capacities 8GB-32GB), reliability, performance, and reduced power consumption or enhanced battery life. HDD adoption will reign where the consumer wants 'the highest capacity at the lowest cost' especially if they are storing large amounts of media files. SSDs will become the preferred storage media as consumers learn what is 'adequate capacity' for accessing the internet, browsing, and office productivity while realizing the above mentioned benefits of higher performance SSDs.

Analysis and Reporting Methodology

This analysis on Netbooks, Nettops, and MIDs discusses, defines and forecasts each of these low cost mobile PC-type applications and compares them to standard notebooks and low cost desktop PCs. All the major components for these systems are discussed along with listing the Build of Materials (BOM) cost of the Netbook. In addition, all the known 2008 suppliers of Netbooks, Nettops, and MIDs are listed. Forecasts from 2006-2013 are provided for the total PC market, Desktop, Notebook, Netbook, Nettop, and MIDs. Each forecast analyzes the various usage models driving the adoption of the particular application and emphasizes their mix of storage: Flash cache, Solid State Drives or Hard Disk Drives by their respective capacities. Finally, the HDD pricing at various capacities and attachment rates for the 2.5" HDD are forecast for the three mobile applications.

Relevant primary data and information were collected from discussions with industry and company representatives. Secondary data and information have been obtained from public sources, such as company documents, press releases, annual reports and industry statistics, as well as from the existing Web-Feet Research database. Historic data have

been crosschecked and correlated with industry statistics. Forecast data and their interpretation are based on analyses and assessments of Web-Feet Research.

The report is organized on two logic levels, which are not physically separated. One level describes the development trends of relevant technologies, standards and systems. It also takes into consideration how macroeconomic factors impact these trends. The resulting information is used to create models and assumptions for the analyzed markets. The other level forecasts the qualitative and quantitative development of the markets through 2013, by using the collected data and by factoring in the created models and assumptions. The understanding of the models and assumptions also helps the reader to adjust the forecast whenever the market environment and development trends modify the assumptions.

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About Web-Feet Research

Web-Feet Research, located in Monterey, California, provides market research, analysis, and consulting services for the electronics and semiconductor industries; focusing on the non-volatile memory and storage markets with an emphasis on Flash memory, SSDs and small form factor hard drives.

The company has significant expertise and experience in the areas of communications, computers and consumer electronics applications, as well as in identification, definition, design and marketing of standard and application specific semiconductor components. In addition to the syndicated market analysis reports, our analysts and consultants have worked on a series of commissioned reports and projects for customers in the electronics and semiconductor industries: customer-specific and multi-client reports, advanced applications of existing technology reports, emerging technology economics studies, potential uses of emerging technology studies, management consulting projects.

Web-Feet Research reports take into consideration major social, political, economic and technology changes underway and the impact these changes have on the economy, the high technology industries in general, and the electronics and semiconductor industries in particular.

The growing complexity and scope of economic developments creates a need to put the qualitative and quantitative aspects of the development trends in a broader perspective and to correlate them with the macroeconomic factors. Therefore, Web-Feet Research reports embrace and correlate both the technology and commercial aspects of the developments.