

All-in-One PCs Moving to Capitalize on Windows 7, Including Touch Interfaces

AUSTIN, TEXAS, October 21, 2009—On the eve of the Windows 7 launch, there has been a surge of new all-in-one (AIO) PC announcements by traditional PC vendors and monitor brands—most recently Apple’s two new iMacs. AIOs have been around for many years, but many in this new crop of products address entry-level price points, while others promote the use of touch as a new interface for personal computing.

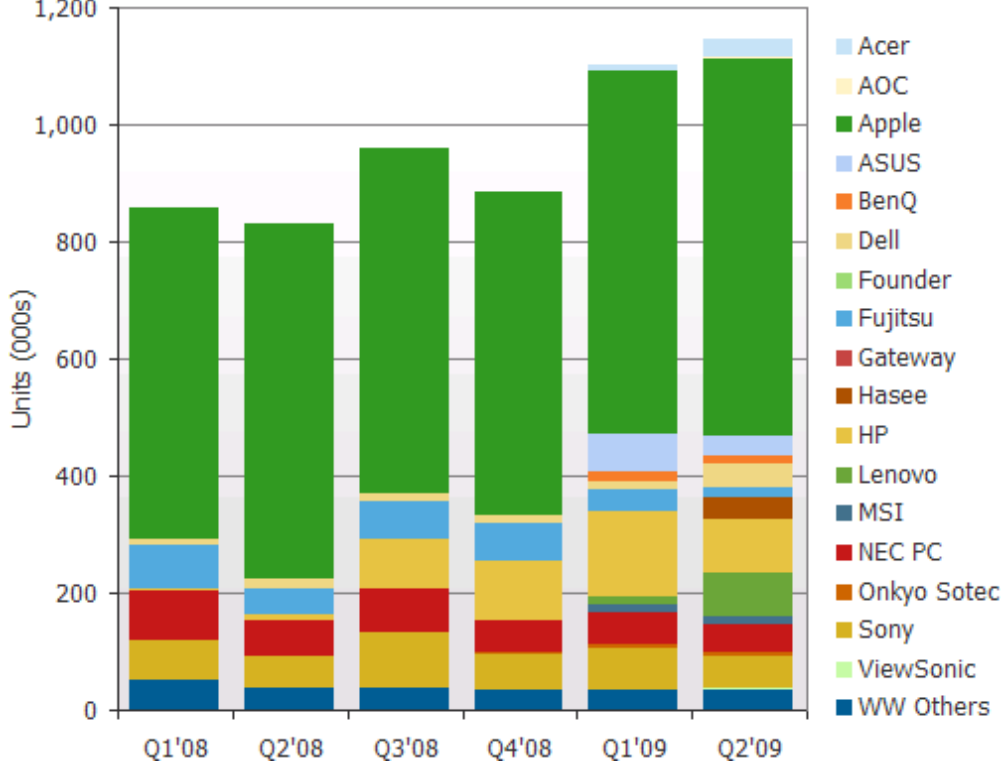
“This wave of new AIO products was targeting entry-level-price points for desktop PCs until LCD panel prices rose in the second half of 2009,” noted [Chris Connery](#), DisplaySearch Vice President of PC and Large Format Commercial Displays. “Many of these products have been re-positioned to emphasize the enhanced features of Windows 7; lower-priced AIO products, including nettops, may emerge in 2010.”

Many of the current crop of AIOs began as low-priced Intel Atom-based nettop PCs, in the hope that they could reach new entry level price points for desktop configurations just as mini-notes (netbooks) did for portable PCs. However, the LCD panel shortage during the first three quarters of 2009 drove desktop LCD panel prices up significantly, and developers recognized that a \$399 price point was not possible for mass-market products in 2009. Development efforts were shifted from simple, low-priced AIOs toward products that take advantage of new technologies integrated into the operating system, shifting attention to ease-of-use at an appropriate price point. These new AIOs heavily leverage multi-touch capabilities integrated into Microsoft Windows 7 operating system, for example.

Interaction with personal computers has evolved from punch cards to keyboards to mice, and there is clear momentum for the next input interface to be touch (with other possibilities like voice recognition also in the works). Touch screen interfaces have been accepted as the primary—or only—interface on many CE devices, especially smartphones (which now pack as much computing power as older PC products). While touch screens are a hot topic in the PC industry, not all vendors are taking the same approach. Apple, for example, did not include touch screen interfaces in their new AIOs, instead focusing on enhancing the touch features of its mouse. Meanwhile, vendors like HP seem to be taking a bigger-picture view in leveraging touch as an interface for PCs, beginning with inclusion of touch screen displays in its TouchSmart line of PCs in 2006. HP’s direction for touch recognizes that it is becoming a new way to interface with the PC, and that new ways to compute and access or manipulate data are evolutionary rather than revolutionary.

In addition to Apple’s AIO PC announcement on October 20, other notable product announcements within the year include Dell’s Studio 19 and Lenovo’s IdeaCentre, along with prototypes and production models from companies such as Acer, Asus, BenQ, Fujitsu, Gateway, MSI, Sony, ViewSonic and a host of other PC and peripheral companies. As both the Windows 7 and the US holiday launch dates approach, announcements for such products are accelerating.

Figure 1: AIO-LCD PCs WW Unit Volume Shipments Q1’08-Q2’09 (000s)



Source: DisplaySearch [Quarterly Desktop Monitor Shipment and Forecast Report](#)

In recent quarters, DisplaySearch has revised its outlook for the AIO desktop PC category upward to 5.9M units for 2010 (up from shipments of just 3.2M worldwide in 2007). Many trends were considered in this recent upward revision:

- Low-priced AIOs for the newly price-conscious US consumer and for China's first-time PC buyers
- Entry-level price-points for products for the commercial markets across the globe focused on cloud computing
- Exciting form factors and new technologies for emerging markets like upwardly-mobile consumers in China's fast-growing cities

Additional leading indicators show that AIO PCs in their various iterations from low-end, entry-level PCs to feature-rich, state-of-the-art technologies are set to drive demand for personal computing in coming years.

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