

## Overview

The persistent dominance of Microsoft's Windows is often claimed to be due to high switching costs and lock-in, suggesting potential inefficiency.

By contrast, it is also argued that consumers continue to use Windows because of its superior quality or at least perceived better quality, implying potential efficiency in the operating system market.

Despite its importance in the debate over the antitrust case against Microsoft, however, few empirical studies have attempted to separate out lock-in from perceived better quality.

We study the adoption of operating systems at the segment level. The CITDB groups computers into three segments: **Internet Servers, Network Servers, and Personal Computers.**

We consider three mutually exclusive segments: **Server**, including both Internet servers and network servers; *PC*, including personal computers that are used for standalone desktops or client computers connected to servers; and *non-PC*, including mainframes, midrange, and workstations that are not used for servers.

We can only investigate the adoption of operating systems up to the segment level, since the information on operating system choices at the individual level is not available.