



# **USB Flash Tracker™**

## ***Trends for USB Flash Drive Markets***

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**Vol. 5 No. 2**

**Q2 2008**

### **EXECUTIVE SUMMARY– Q2 2008**

USB flash drive shipments increased to 39.961 MM units in the second quarter of 2008, a change of 9% from Q1/08. SCCG forecasts drive shipments to increase in Q3/08, influenced by aggressive promotion and attractive pricing. Unit shipments are projected to reach 165.741 MM units by the end of 2008.

The Americas market had the leading regional share in Q2/08, with 31.56%. Europe was the second-leading market, with 31.56%, followed by Asia/Pacific, with 27.90%, and Japan, with 8.97%.

The average global capacity for USB flash drives was 3169 MB, but this ranged from a low of 2380 MB in Japan to a high of 3310 MB in The Americas. The leading segment was 2 GB, with 37% of the market. Products with capacities of 4 GB and greater increased their share of the market and represented 46% of unit sales in Q2.

Prices were relatively declined in Q2, with USB flash drive pricing into distribution changing by an average of -4.79%. This was influenced by aggressive pricing policies and promotions in the market..

Global USB flash drive market leaders in Q2/08 were Kingston–15.49%, Transcend–13.48%, SanDisk–12.73%, Sony–4.82%, Imation–2.62%, Buffalo–2.53%, PNY–2.33%, Verbatim–2.20%, Lexar–1.80%, and Memorex–0.97%. The market continues to be quite fragmented, with few brands commanding a significant global position and a number of vendors having strong regional positions in specific countries.

NAND flash chips were in oversupply in Q2. This resulted in significant price declines. Samsung maintained its lead in NAND chip sales, and Toshiba continued to be a strong second. Other manufacturers include Hynix/ST Micro, SanDisk, and Micron. ST Microelectronics was shipping lower-capacity NAND chips to the market, often to serve embedded applications.