USB Flash Tracker™

Trends for USB Flash Drive Markets

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EXECUTIVE SUMMARY–Q4/Year-End 2010

USB flash drive shipments grew to 53 million units in the fourth quarter of 2010, a rise of 5%, influenced by the holiday buying season. SCCG forecasts drive shipments to decline modestly in Q1/11, reflecting the seasonal shift in buying patterns. Unit shipments reached 200million units in 2010 and are estimated to grow to 240 million units by 2013.

The Americas region had the leading regional share in Q4/10, with 33%. Europe was the second-largest region, with 32%; Asia/Pacific followed, with 27%; and Japan had 8%.

In Q4/10, the leading capacity segment was 8 GB, with 30%; followed by 4 GB, with 22%; 16 GB, with 21%; 2 GB, with 15%; 32 GB, with 6%; and 1 GB, with 5% of units shipped. Globally, average capacity grew from 15.5 GB in Q3/10 to 17.6 GB in Q4/10, an increase of 13%. Average capacity for 2010 increased 91% over 2009.

Pricing showed a modest increase in the fourth quarter, with a shift in the market to higher-capacity drives at higher average unit prices. Some of the higher capacity chips and USB flash drives were in better supply during the quarter. The MP3 market is typically a factor in supply in Q4, which influences availability and pricing for NAND in the USB Flash drive markets. For the online market, $10 or less was the sweet spot for 4 GB drives. Online prices ranged from a low of $7 for a 2 GB drive from various Taiwan sources to nearly $350 for 128 GB USB flash drives. Pricing across the regions varied, with Europe and Asia/Pacific being the most aggressive. Vendors continued to promote features for differentiation and value-add, especially in areas such as security and backup; however, these applications remained niche markets.

Global branded market leaders in Q4/10 were **SanDisk**–23%, **Kingston**–19%, **Transcend**–8%, **H-P**–6%, **Verbatim**–5%, **Sony**–3%, **Imation**–3%, and **Buffalo**–2%.

NAND producers advanced products and are now producing high-density (25-nanometer wafers) 64 Gbit chips, which allow a 8 GB device to have a single chip.

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