



# USB Flash Tracker™

## Trends for USB Flash Drive Markets

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### EXECUTIVE SUMMARY—Q4/Year-End 2009

USB flash drive shipments grew to 47.006 million units in the fourth quarter of 2009,, a rise of 2%, influenced by the holiday buying season. SCCG forecasts drive shipments to decline modestly in Q1/10, reflecting the seasonal shift in buying patterns. Unit shipments reached 183.989 million units in 2009 and are estimated to grow to 235.534 million units by 2013.

The Americas region had the leading regional share in Q4/09, with 33%. Europe was the second-largest region, with 31%; The Asia/Pacific followed, with 27%; and Japan had 9%.

In Q4/09, the leading capacity segment was 8 GB, with 33%; followed by 4 GB, with 29%, 16 GB, with 23%; 2 GB, with 10%; 32 GB, with 5%; and 1 GB with 1% of units shipped. Globally, average capacity grew from 7060 MB in Q3/09 to 9329 MB in Q4/09, an increase of 32%. Average capacity for 2009 increased 110% over 2008.

Pricing showed a modest decline in the fourth quarter, with NAND flash in better supply. 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, but this was not a significant issue last year. For the online market, \$10 was the sweet spot for 4 GB drives. Online prices ranged from a low of \$8 for a 1 GB drive from various Taiwan sources to nearly \$150 for 64 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 Q4/09 were **SanDisk**—21%, **Kingston**—20%, **Transcend**—9%, **HP**—4%, **Verbatim**—%, **Sony**—4%, **Imation**—3%, and **Buffalo**—3%.

NAND producers advanced products and are now producing high-density (32-nanometer wafers) 32 Gbit chips, which allow a 8 GB device to have a single chip. 25 nanometer wafers were announced by Intel/Micron and will ship in the next quarter.

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