



USB Flash Tracker™

Trends for USB Flash Drive Markets

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Q3 2012

EXECUTIVE SUMMARY– Q3 2012

USB flash drive shipments decreased to 61.292 MM units in the third quarter of 2012, a change of -3.08% from Q212. SCCG forecasts drive shipments to register a small increase in Q4. Total shipments are projected to reach 248.503 MM units by the end of 2012.

The Americas market had the leading regional share in Q3/12, with 35%, followed by Europe, with 30%, Asia/Pacific, with 28%, and Japan, with 7%.

The average global capacity for USB flash drives was 17.38 GB, but this ranged from a low of 10.50 GB in Japan to a high of 21.09 GB in The Americas. The leading segment was 16 GB, with 28% of the market. Products with capacities greater than 8 GB increased their share of the market and represented 52% of unit sales in Q3.

Average prices decreased in Q3, influenced by a better supply of NAND and controllers and a slower shift to higher-capacity USB flash drives. USB flash drive pricing into distribution changed by an average of -16% in the quarter.

Global USB flash drive market leaders in Q3/12 were **SanDisk**–20%, **Kingston**–18%, **Transcend**–10%, **H-P**–7%, **Verbatim**–7%, **Sony**–4%, **PNY**–3%, and **Imation**–2%. The market continues to be quite fragmented, with few brands commanding a significant global position and several vendors having strong regional positions in specific countries.

NAND flash chips were in oversupply in the third quarter of 2012. Manufacturers have been trying to match demand and reduce volatility in the market, but this has not been easy. By the end of the quarter, excess supply was resulting in lower prices and customers maintaining very lean inventory levels. Samsung maintained its lead in NAND chip sales, and Toshiba continued to be a strong second. Apple continues to influence the market, supporting its iPhone, iPad, and iPod product lines with flash chips.

64 gigabit technology, featuring 24 nanometer flash is standard, offering 8 GB per chip. Soon 128 gigabit technology will be introduced, with 19 nanometer flash and 16 GB per chip.