USB Flash Tracker™

Trends for USB Flash Drive Markets

Vol. 6 No. 3 **Q3 2009**

EXECUTIVE SUMMARY– Q3 2009

USB flash drive shipments increased modestly to 47.537 MM units in the third quarter of 2009, a change of 3% from Q2/09. SCCG forecasts drive shipments to register a small increase in Q4 as well. Total shipments are projected to reach 190.599 MM units by the end of 2009.

The European market had the leading regional share in Q3/09, with 33%. The Americas were the second-leading market, with 32%, followed by Asia/Pacific, with 27%, and Japan, with 8%.

The average global capacity for USB flash drives was 7999 MB, but this ranged from a low of 5536 MB in Japan to a high of 9332 MB in The Americas. The leading segment was 8 GB, with 33% of the market. Products with capacities greater than 4 GB increased their share of the market and represented 54% of unit sales in Q3.

Prices increased in Q3, influenced by a tighter supply of NAND and controllers and an increase in the costs for these components. USB flash drive pricing into distribution changed by an average of 44% in the quarter.

Global USB flash drive market leaders in Q3/09 were **SanDisk**–21%, **Kingston**–20%, **Transcend**–12%, **Memorex**–4%, **Verbatim**–3%, **Sony**–2%, **Buffalo**–2%, **PNY**–2%, and **Imation**–2%. 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 continued to be in tight supply in the third quarter of 2009. Manufacturers are trying to match demand and reduce volatility in the market, but this has not been easy. The uncertainty in the economy has influenced a tighter inventory position and slowed down NAND manufacturing growth. Controller companies also have had similar issues. 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 and iPod product lines with flash chips.

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