



USB Flash Tracker™

Trends for USB Flash Drive Markets

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Q4 2011

EXECUTIVE SUMMARY–Q4/Year-End 2011

USB flash drive shipments grew to 61 million units in the fourth quarter of 2011, a rise of 4%, influenced by the holiday buying season. SCCG forecasts drive shipments to decline modestly in Q1/12, reflecting the seasonal shift in buying patterns. Unit shipments reached 230 million units in 2011 and are estimated to grow to 265 million units by 2013.

The Americas region had the leading regional share in Q4/11, with 37%. Europe was the second-largest region, with 30%; Asia/Pacific followed, with 26%; and Japan had 7%.

In Q4/11, the leading capacity segment was 16 GB, with 33%; followed by 8 GB, with 22%; 32 GB, with 20%; 4 GB, with 17%; 64 GB, with 6%; and 2 GB, with 3% of units shipped. Globally, average capacity changed from 18741 MB in Q3/11 to 18762 MB in Q4/11, a marginal increase of slightly more than 0%. Average capacity for 2011 increased 22% over 2010.

Pricing showed a decrease in the fourth quarter, with capacity growth slowing and overall pricing in decline. Some of the higher capacity chips and USB flash drives were in better supply during the quarter. The mobile 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, \$9 or less was the sweet spot for 8 GB drives. Online prices ranged from a low of \$6 for a 2 GB drive from various Taiwan sources to more than \$500 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 Q4/11 were SanDisk–22%, Kingston–21%, Transcend–8%, Verbatim–6%, H-P–5%, Buffalo–3%, Imation–3%, PNY–2%, and Sony–2%.

NAND producers advanced products and are now producing high-density (19-nanometer wafers) 64 Gbit chips, which allow a 8 GB device to have a single chip.
