

TrendForce Says SSD Adoption by Notebooks May Hit 30% Next Year as Contract Price of Mainstream SSDs Fell 10% for Four Straight Quarters

2015-11-26 [Alan Chen](#)

Set against the previous quarter, the average contract price of mainstream PC-Client OEM SSDs has fallen by 10~11% in the fourth quarter, according to [DRAMeXchange](#), a division of [TrendForce](#). This marks the fourth straight time that the SSD price decline has exceeded 10%. SSDs have become increasingly attractive to the consumers compared with the traditional HDDs due to the sharp drop in their prices, but the adoption of SSDs among notebooks is not expected to be strong as the notebook market's performance has been below expectations. Hence, TrendForce has lowered the estimated adoption rate of SSDs by notebooks for this year to around 25~28%.

DRAMeXchange Senior Manager Alan Chen said 256GB SSDs will be moving close to price parity with mainstream HDDs in 2016, so the adoption of SSDs in the business notebook segment will rise. DRAMeXchange anticipates the next year's SSD adoption rate in the notebook market will rise above 30% for the first time.

~~Expected PC vendors and channel distributors are holding back on their SSD purchases due to lower-than-~~
~~Expected notebook sales~~

Third-quarter shipments of notebooks worldwide rose to 43.3 million units on a quarterly growth of about 13% on account of peak seasonality. However, the numbers are not as impressive as they appear since the second quarter's base period was shorter. In the retail SSD market, channel distributors were conservative in their restocking efforts in the third quarter because they had expected NAND Flash prices to drop further. Therefore, retail SSD market's total shipments during that period were disappointing by peak quarter standards, rising only slightly. As a result of the industry's slowing momentum, the adoption rate of SSDs in the notebook market for the third quarter was around 24~25%. Client-SSD shipments in the same period (including those from the retail SSD market) reached a total of 21.6 million units.

Fourth quarter is the traditional peak sales season in the U.S. and European markets. Chen noted that while MacBook sales continue to grow and non-Apple branded notebooks with Intel's Skylake CPUs have hit the market, quarterly notebook shipment growth will still be constrained by ongoing inventory adjustments. DRAMeXchange expects the SSD adoption rate in the notebook market to move up a bit to 27~28% during the same period.

Since the decline in NAND Flash prices and aggressive pricing from SSD suppliers are showing no sign of stopping, the retail SSD market will deviate from the seasonal pattern in the fourth quarter, with the global Client-SSD shipments registering a slight quarterly growth of 4~6%.

~~To consume more capacity and gain market share, NAND Flash suppliers will maintain their aggressive pricing~~
~~strategy in the first half of 2016.~~

In terms of SSD product strategy, Samsung will continue to use the price advantage that it has with its 3D TLC-SSD and DRAM-less SSDs as to acquire more PC-OEM market share. However, SanDisk is quickly catching up to Samsung and has started mass production of its own lines of TLC-SSD and DRAM-less products since the middle of this year. Other SSD manufacturers are rolling out products carrying 15nm/16nm-based MLC Flash in response to the aggressive pricing of NAND Flash memory. Chen noted that the price war in the NAND Flash market will continue into the first half of 2016 as major NAND Flash suppliers will work hard to consume capacity and capture market share.

About TrendForce

TrendForce is a global provider of the latest development, insight, and analysis of the technology industry. Having served businesses for over a decade, the company has built up a strong base membership base of 435,000 subscribers. TrendForce has established a reputation as an organization that offers insightful and accurate analysis of the technology industry through five major research divisions: DRAMXchange, WitsView, LEDinside, EnergyTrend and Topology. Founded in Taipei, Taiwan in 2000, TrendForce has extended its presence in China since 2004 with offices in Shenzhen and Beijing. For more details about TrendForce, please visit www.trendforce.com

Major research divisions:

DRAMeXchange focuses on memory, storage and the consumer electronics industry including PC DRAM, Mobile DRAM, Server DRAM, NAND Flash, SSD and smartphone.

WitsView offers comprehensive coverage of the display industry from upstream components, midstream panels/touch modules to downstream system integrators, brands and channels.

LEDinside covers all aspects of the LED supply chain from upstream equipment/materials, midstream chip/packaging to the downstream backlight and lighting market.

EnergyTrend specializes in green energy research, such as solar energy, lithium battery, energy storage systems and xEVs.

Topology studies structural trends of technology industries in the Greater China Region and beyond, focusing on semiconductors, photovoltaic technology, telecommunications, and IA.

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