In-Stat

In-Depth Analysis

Global Consumer Network Storage: Say Goodbye 500GB, Hello 2TB

SKU: IN0904515RC
Analyst: Joyce Putscher
jputscher@reedbusiness.com
+1.360.504.0190
February 2009

Report Summary

Although the consumer network storage space was already crowded, there are still new entrants. Because of the crowding over the last few years, it is not surprising to see some jockeying in market share taking place.

Not surprisingly, the global growth rate slid in 2008, compared to 2007, and 2009 promises to be sluggish. However, there is a region expected to provide a bright spot in the consumer network drive arena in the midst of the economic downturn. During these times of economic turmoil, competition will be stiff from cheaper, external direct storage (USB drives). Marketing/advertising of the benefits of network storage over direct storage will continue to be a challenge.

As the number of home networks continues to grow, opportunities still exist in this space that include NAS, SAN, NDAS, and Windows Home Server platforms. Consumers who have established networks are looking to add updated features and more storage capacity that is readily available to multiple devices in and outside the household. Newer home network users will provide fresh opportunities as well.

This worldwide report includes forecasts through 2013 for each market segmentation by region, price tier, and storage capacity, wired vs. wireless LAN drives, and provides discussions about consumer network storage market trends, technology trends, processors, and 2008 global vendor market shares. In addition, an industry-leading detailed vendor matrix of product lines, models, and features is also provided, with some features not easily obtainable. We also include a table of branded media server vs. proprietary UPnP server use by vendor. Applicable domestic and international consumer survey research is also included.

HIGHLIGHTS

- Not surprisingly, global growth rate slid in 2008, compared to 2007, and 2009 promises to be sluggish. But not all regions are expected to show lackluster sales in 2009.
- Consumer survey results show that interest is rising for network storage that has multiple drive expansion bays.
- Buffalo again ranked #1. Other than Buffalo, network-centric firms did not fare as well in 2008 compared to traditional storage companies.
- Industry-leading vendor matrix shows that a primary media server is now considered a core feature, while other features, like an iTunes server and BitTorrent client, provide product differentiation.
- DLNA and remote access are on the way to becoming mainstream features.

For more information or to purchase, see the report online or call 1.480.483.4441.

Companies Mentioned in this Report

- Buffalo Technology
- Broadcom
- Cisco (Linksys by Cisco)
- D-Link
- DigiOn
- Fabrik (SimpleTech)
- Freecom
- Freescale
- Fujitsu-Siemens
- Hammer Storage
- Hewlett-Packard
- I-O Data
- Intel
- IOCELL Networks
- Iomega
- LaCie
- LG
- Linksys
- Marvel Technology
- Maxtor (Seagate)
- Macrovision (Mediabolic)
- Microsoft
- Netgear
- Oxford Semiconductor
- RISC DSP Communication
- Syabas Technology
- Thecus Technology
- Tranquil PC
- TwonkyVision
- Velocity Micro
- Western Digital
- Ximeta
- Zetera
- ZyXEL

Who Will be Interested in This Report?

- Semiconductor, PC, CE companies that provide PCs, media servers, consumer network storage, and networked consumer electronics devices
- Companies providing media server software and back up software
- Companies that provide broadband home networking products
- Telco, cable, and satellite service providers interested in media server and network storage trends and market dynamics
- Financial community: equipment market shares provided

What Questions Does This Report Answer?

- What are the drivers and trends affecting the consumer network drive market?
- What are the growth expectations for consumer network storage during these challenging economic times?
- Which region will fare the best in the near term?
- How quickly is capacity migration occurring?
- Which price tier provides the mainstay of this market, and will that change?
- Has wireless LAN found success in the consumer network storage market?
- Who were the 2008 leaders in unit market share, and how have the top five ranking companies changed from 2007?
- Who is entering this market?
- Who has exited this market?
- How successful has the Windows Home Server platform been thus far?
- What are the current feature sets offered by model for each vendor?
- What are the updated prices by model?
- Which brands of media servers are used by which product lines?
- Who are the primary semiconductor vendors supplying processors for consumer network drives?
- Which new capacities have been added, and which ones have been dropped?
- What new product lines are soon to be launched?
- What product features are being added by vendors?

Table of Contents

.

Methodology

The information contained in this report is derived from primary and secondary sources. Interviews were conducted with vendors associated with network-capable storage solutions that target the consumer market in January and February 2009. Secondary sources included white papers, magazines, journals, and information from various organizations and associations. Other primary sources included domestic and international consumer surveys.

The forecasts in this report are the result of internal models developed by In-Stat to analyze the rapidly changing, connected home marketplace. All forecasts represent worldwide figures. Please note that some of the numbers in this report may not calculate exactly due to rounding. The abbreviations of "HN" for home network, "BB" for broadband, and "AP" for access point are sometimes used within tables or charts.

The domestic consumer survey data referenced in the *North American Consumer Survey Insights* section of this report is from an online broadband survey that was conducted in June 2008, with 1,000 respondents. The sample size of Canadian to US broadband respondents was 10% to 90%, respectively, which approximately resembles the ratio of Canadian to American installed home networks. This survey included questions about network drives in order to gauge consumers' perspectives about these products, their use, capacities, types, and interest in purchasing. The survey was conducted using a large, third party, online consumer panel that consisted of over 1.7 million consumers in the US and Canada. This panel's members were recruited by invitation. This panel had the ability to deliver a cross-section of the US and Canadian populations with a highly normalized demographic and geographic balance. All respondents for this survey were screened to ensure that all subscribed to broadband Internet access and had at least one PC at home. The purpose of this screening was to ensure that there would be ample sample sizes for various questions related to PCs and home networking, as broadband subscribers' perspectives are the most relevant to home networking. All respondents were aged 18 or older.

The 2008 US Residential Technology Survey (RTS) consumer survey was conducted in March 2008 with the same online consumer panel, except that no Canadians were included, and respondents were only required to be aged 18 or older and be knowledgeable about the consumer electronics products used in their household. Some results from the US survey are different than for the US respondents in the North American broadband survey, due to the different screening requirements. This survey had 1,064 completes.

The international consumer surveys referenced in this report resulted in approximately 400 completes each from Japan, Korea, France, Germany, and the UK. Respondents were only required to be aged 18 or older and be knowledgeable about the consumer electronics products used in their household. Due to variations in the demographics for the respondent sample compared to country demographics, these results were weighted as needed to obtain data that would more closely mirror their respective country demographics.

List of Tables

Return to Table of Contents

List of Figures

Return to Table of Contents

Related In-Stat Reports

The following reports contain related information on the installed base of home networks, home network technologies, broadband CPE, services, and networked stationary CE devices.

#IN0804083RC	*Global Powerline Networking: Growing in Spite of Economic Woes*, December/2008— http://www.instat.com/abstract.asp?id=99&SKU=IN0804083RC
#IN0804088RC	*Global Networked Media Clients & Servers 2009 Update: Clients Growing but Struggling*, November/2008— http://www.instat.com/abstract.asp?id=99&SKU=IN0804088RC
#IN0804087RC	*Home Network Management and Remote Access in North America,* September/2008— http://www.instat.com/abstract.asp?id=99&SKU=IN0804087RC
#IN0804081RC	*Global Home Networking and Broadband CPE Outlooks Through 2012,* August/2008— http://www.instat.com/abstract.asp?id=99&SKU=IN0804081RC
#IN0804084RC	*Networking over Coax and Phone Wiring for Service Provider Deployments Worldwide*, June/2008— http://www.instat.com/abstract.asp?id=99&SKU=IN0804084RC
#IN0804086RC	*Global Digital Domicile CPE 2007 Market Shares*, June/2008— http://www.instat.com/abstract.asp?id=99&SKU=IN0804086RC
#IN0804264MBS	*US Residential Broadband Services: How Fast is "High-Speed"?,* February/2008— http://www.instat.com/abstract.asp?id=288&SKU=IN0804264MBS
#IN0703445RC	*Tying Home Automation & Security to Home Networks in NA: Renters Willing to Pay More for Remote Access*, August /2007— http://www.instat.com/abstract.asp?id=99&SKU=IN0703445RC
#IN0703428RC	*American Market for Home Network Support Services*, May /2007— http://www.instat.com/abstract.asp?id=99&SKU=IN0703428RC

Offices

North America

Arizona
+1.480.483.4440

California
+1.408.345.4495

Massachusetts
+1.781.734.8674

China
+86 10 6642 1812

Europe/Middle East/Africa
+1.480.483.4470