

INTRODUCTION .....	XVI
REASONS FOR THE STUDY AND ITS IMPORTANCE .....	XVI
MARKET FORCES .....	XVI
A New Asset.....	xvi
A Bigger Bite.....	xvi
Mounting Need .....	xvi
Availability.....	xvi
TECHNOLOGY CHANGES AND ADVANCES .....	XVII
A New Perspective.....	xvii
Data Generation .....	xvii
EMERGING OPPORTUNITIES .....	XVIII
Services .....	xviii
OBJECTIVES OF THE STUDY AND ITS CONTRIBUTION .....	XVIII
AUDIENCE FOR THE REPORT .....	XIX
SCOPE AND CONTENT OF REPORT.....	XIX
METHODOLOGY AND INFORMATION SOURCES.....	XX
ANALYST CREDENTIALS.....	XX
RELATED BCC REPORTS .....	XXI
BCC ONLINE SERVICES.....	XXI
 SUMMARY.....	XXIII
SUMMARY TABLE <i>GLOBAL MARKET FOR MASS STORAGE BY REGION, THROUGH 2007 (\$ BILLIONS)</i> .....	XXIII
SUMMARY FIGURE <i>GLOBAL MARKET FOR MASS STORAGE BY REGION, 1999- 2007 (\$ BILLIONS)</i> .....	XXIV
 INDUSTRY OVERVIEW.....	1
DEFINITION OF MASS STORAGE INDUSTRY .....	1
KEY TERMINOLOGY .....	2
SCOPE OF FIELD AND WHERE MASS STORAGE FITS IN .....	3
STORAGE IN THE SPOTLIGHT.....	3
CONVERGING TRENDS INFUSE COMMERCIAL MARKETS .....	3
LOWER ENTRY BARRIERS AND SOLUTION INNOVATION .....	4
HISTORY OF MASS STORAGE INDUSTRY TECHNOLOGIES.....	4
MAGNETIC TECHNOLOGIES.....	4
Tape.....	4
Fixed Disk .....	5
OPTICAL TECHNOLOGY .....	6
CD.....	6
DVD.....	6
MO .....	7
HISTORICAL STORAGE TECHNOLOGY STRUGGLE .....	7
EFFECTS ON OTHER INDUSTRIES.....	8
MAJOR PRODUCT CATEGORIES .....	9
MAJOR MARKETS AND MARKET APPLICATIONS .....	9

STRATEGIC ISSUES AND IMPLICATIONS FOR THE FUTURE .....	10
STANDARDS.....	10
RESOURCE SCARCITY .....	11
LEGAL CLARIFICATION.....	11
FORCES FOR CHANGE IN THE MASS STORAGE MARKET .....	11
TELECOMMUNICATIONS ADVANCES AND	
GLOBALIZATION .....	11
ELECTRONIC BUSINESS PRESENCE .....	12
TESTING AND CERTIFICATION.....	12
INDUSTRY STRUCTURE AND COMPETITIVE ANALYSIS .....	13
INDUSTRY STRUCTURE .....	13
INDUSTRY PARTICIPANTS .....	14
Supply Chain Mechanics.....	14
Major Mass Storage Vendors .....	15
<i>TABLE 1 MASS STORAGE INDUSTRY LEADING MARKET SHARES BASED ON SALES, 2001 (%).....</i>	15
<i>FIGURE 1 MARKET SHARE LEADERS IN SALES REVENUE, 2001 (%).....</i>	16
Trio at the Top .....	16
Closing Field of Contenders .....	17
Industry Leaders .....	18
<i>TABLE 2 MASS STORAGE INDUSTRY LEADERS.....</i>	18
Compaq Computer Corporation .....	19
Computer Associates International, Inc. ....	19
EMC Corporation .....	20
Hewlett-Packard Company .....	20
Hitachi Data Systems/Hitachi, Ltd.....	21
IBM Corporation .....	21
Legato Systems, Inc. ....	22
Network Appliance, Inc. ....	22
Storage Technology Corporation .....	23
Sun Microsystems, Inc.....	23
Veritas Software Corporation.....	23
Industry Newcomers .....	24
<i>TABLE 3 PROFILE OF NOTABLE STORAGE PRODUCT MARKET NEWCOMERS.....</i>	24
Expansionists.....	25
Opportunists .....	26
INFLUENCES ON SALES .....	26
<i>TABLE 4 RELATIVE INFLUENCE OF CUSTOMER SELECTION FACTORS, 2002 AND 2007 (%).....</i>	27
<i>FIGURE 2 IMPACT OF CUSTOMER SELECTION FACTORS, 2002 AND 2007.....</i>	27
Variables Essential to Current Market Sales .....	28
Primary Variables.....	28
Reliability.....	28
Performance.....	28
Scalability .....	28

Cost.....	29
Secondary Variables .....	29
Data Availability.....	29
Ease of Use .....	29
Other Factors .....	29
Sales Variables Essential in 2007.....	30
Primary Sales Factors .....	30
Secondary Sales Factors .....	31
Other Factors .....	31
<b>PRICE FACTORS.....</b>	<b>31</b>
<b>TABLE 5 SIGNIFICANT INDUSTRY PRICE TRENDS, 1999-2007 .....</b>	<b>31</b>
Raw Cost .....	32
Budgetary Allocation.....	32
Management Costs .....	32
<b>DYNAMICS OF THE MASS STORAGE INDUSTRY .....</b>	<b>33</b>
Driving Forces within the Industry .....	33
Transition.....	33
Supplier Perspective .....	33
Marketplace Developments.....	34
Technology Expansion .....	34
<b>TABLE 6 AVERAGE ANNUAL GLOBAL INFRASTRUCTURE EXPANSION RATE, THROUGH 2007.....</b>	<b>34</b>
Communication Expansion.....	35
<b>TABLE 7 AVERAGE ANNUAL GLOBAL COMMUNICATIONS EXPANSION RATE, THROUGH 2007.....</b>	<b>35</b>
Capacity Crunch .....	36
<b>TABLE 8 AVERAGE ANNUAL GLOBAL CAPACITY AND DATA GROWTH, THROUGH 2007.....</b>	<b>36</b>
<b>PRODUCT DISTRIBUTION CHANNELS .....</b>	<b>36</b>
Supply Chain Mechanics Overview .....	36
Channel Strategy.....	37
<b>TABLE 9 SHARE OF SALES BY DISTRIBUTION CHANNEL, 2002 AND 2007 (%).....</b>	<b>37</b>
<b>FIGURE 3 SALES BY DISTRIBUTION CHANNEL, 2002 AND 2007 .....</b>	<b>37</b>
Channel Opportunities .....	38
Indirect Channel Members.....	39
VARs, Integrators, Solution Providers.....	39
Distributors .....	40
Direct Channel Members.....	40
Manufacturers.....	40
<b>GOVERNMENT AND REGULATORY IMPLICATIONS .....</b>	<b>40</b>
Regulation and Policy .....	40
<b>TABLE 10 GOVERNMENT REGULATION IMPACTING THE STORAGE INDUSTRY.....</b>	<b>41</b>
Electronic Initiatives .....	42
<b>LEGAL ISSUES AND IMPLICATIONS .....</b>	<b>42</b>
Signatures .....	42
Communications .....	43

INTERNATIONAL PERSPECTIVE .....	43
Significant International Issues .....	43
Information Technology Efforts .....	43
Infrastructure.....	44
<i>TABLE 11 INTERNATIONAL REGULATORY AND POLICY INITIATIVES AFFECTING IT INFRASTRUCTURE .....</i>	44
Expansion and Use .....	45
<i>TABLE 12 INTERNATIONAL REGULATORY AND POLICY INITIATIVES AFFECTING IT EXPANSION AND USE .....</i>	45
International Markets .....	46
Market Regions of the World.....	46
Regional Market Shares .....	47
<i>TABLE 13 REGIONAL MARKET SHARES OF THE MASS STORAGE MARKET, 2002 AND 2007 (%).....</i>	47
<i>FIGURE 4 GEOGRAPHIC MARKET SHARES OF THE MASS STORAGE MARKET, 2002 AND 2007 (%).....</i>	47
North America.....	47
Europe.....	48
Asia-Pacific .....	48
Rest of the World.....	49
Important Non-U.S. Companies .....	49
<i>TABLE 14 MAJOR OVERSEAS FIRMS IN THE MASS STORAGE INDUSTRY.....</i>	49
IMPACT OF OTHER INDUSTRIES .....	50
Networks .....	50
Remote Access/Mobility .....	50
TECHNOLOGY .....	51
CORE TECHNOLOGIES AND MARKETS.....	51
MAGNETIC TECHNOLOGY .....	51
OPTICAL TECHNOLOGY .....	51
STORAGE TECHNOLOGY MARKETS.....	52
<i>TABLE 15 GLOBAL MASS STORAGE HARDWARE MARKET BY TECHNOLOGY, THROUGH 2007 (\$ BILLIONS) .....</i>	52
Magnetic Storage Technology Market .....	52
Magnetic Tape.....	53
Magnetic Disk .....	53
Optical Storage Technology Market .....	53
STORAGE TECHNOLOGY SHARES .....	54
<i>TABLE 16 TECHNOLOGY SHARES OF MASS STORAGE HARDWARE, 2002 AND 2007 (%) .....</i>	54
TECHNOLOGICAL DEVELOPMENTS IN STORAGE .....	55
INDUSTRY TECHNOLOGY DEVELOPMENTS.....	55
Magnetic Storage Developments .....	55
<i>TABLE 17 SIGNIFICANT MAGNETIC STORAGE TECHNOLOGY DEVELOPMENTS .....</i>	56
Optical and Hybrid Storage Developments.....	57
<i>TABLE 18 SIGNIFICANT OPTICAL AND HYBRID TECHNOLOGY DEVELOPMENTS .....</i>	58
Prospective Optical Storage Technologies .....	58

Prospective Hybrid Storage Technologies.....	59
Market Impact .....	60
TESTING AND INTEROPERABILITY .....	61
Market Impact .....	61
STANDARDS DEVELOPMENTS .....	62
Relevance to the IT Industry .....	62
Mass Storage Industry Standards .....	62
Key Standards Related Organizations.....	63
INCITS/ANSI .....	63
OSTA.....	63
DVD Forum .....	64
SNIA.....	64
FCIA and Fibre Alliance.....	64
IETF .....	65
ISO.....	65
Key Standards Developments .....	66
Magnetic Technology .....	66
TABLE 19 KEY STANDARDS DEVELOPMENTS IN MAGNETIC STORAGE.....	66
Helical Scan Technology Standards	
Developments .....	67
Linear Recording Technology	
Standards Developments .....	67
Market Impact .....	68
Optical Technology.....	68
TABLE 20 KEY STANDARDS DEVELOPMENTS IN OPTICAL STORAGE.....	69
Read-Write Rivalry .....	69
Peacemakers .....	70
Market Impact .....	70
Other Technology .....	70
TABLE 21 OTHER MAJOR STANDARDS DEVELOPMENTS AFFECTING MASS	
STORAGE SYSTEMS.....	71
Options.....	71
Market Impact .....	72
OTHER TECHNOLOGY DEVELOPMENTS AFFECTING STORAGE .....	72
NETWORKING TECHNOLOGY DEVELOPMENTS .....	72
Market Impact .....	73
Network Architecture Technology Market .....	74
TABLE 22 INDUSTRY BY STORAGE NETWORK ARCHITECTURE TECHNOLOGY,	
BASED ON VOLUME OF STORAGE NETWORK SWITCH PORT SHIPMENTS,	
2001, 2002 AND 2007 (%).....	74
FIGURE 5 SHARES BY STORAGE NETWORK ARCHITECTURE, 2002 AND 2007.....	74
Fibre Channel.....	74
IP-Based/Ethernet .....	75
Infiniband .....	76
Net Impact.....	76
STORAGE VIRTUALIZATION .....	76

PATENTS .....	77
PATENT AWARDS .....	78
<i>TABLE 23 PATENT AWARDS BY MASS STORAGE TECHNOLOGY COMPANIES, 2001.....</i>	78
PATENT GROWTH .....	79
<i>TABLE 24 GRANT ACTIVITY IN STORAGE RELATED PATENT CLASSIFICATIONS, 1997-2001 .....</i>	79
PATENT ACTIVITY.....	80
<i>TABLE 25 MASS STORAGE INDUSTRY PATENT ACTIVITY BY PRODUCT TECHNOLOGY, 2001.....</i>	80
TECHNOLOGY LEADERS .....	81
<i>TABLE 26 RESEARCH AND DEVELOPMENT LEADERS, 2001 .....</i>	81
TECHNOLOGY LEADERS (CONTINUED).....	82
 MARKETS BY PRODUCT .....	83
STORAGE SYSTEMS HARDWARE PRODUCT MARKET .....	83
MECHANICS .....	83
Market Components .....	83
FORECAST METHODOLOGY .....	84
Product Market.....	84
Regional Forecasts.....	85
THE GLOBAL MASS STORAGE SYSTEMS HARDWARE MARKET .....	86
<i>TABLE 27 GLOBAL STORAGE SYSTEMS HARDWARE PRODUCT MARKET BY REGION, THROUGH 2007 (\$ BILLIONS).....</i>	86
North American Storage Systems Hardware Product Market .....	86
Western Europe Storage Systems Hardware Product Market .....	87
Asia-Pacific Storage Systems Hardware Product Market .....	88
Rest of the World (ROW) Storage Systems Hardware Product Market .....	88
Total Storage Systems Hardware Product Market.....	89
STORAGE SYSTEMS HARDWARE MARKET COMPOSITION.....	90
<i>TABLE 28 GLOBAL SALES OF STORAGE SYSTEMS HARDWARE BY MARKET COMPONENTS, THROUGH 2007 (\$ BILLIONS).....</i>	90
Fixed Disk-Based Storage Systems Hardware Market .....	90
Tape-Based Storage Systems Hardware Market .....	91
Optical-Based Storage Systems Hardware Market .....	92
Market Component Shares .....	93
<i>TABLE 29 MARKET SHARES OF SYSTEMS HARDWARE SALES BY MARKET COMPONENT, 1999-2007 (%).....</i>	93
SALES IN STORAGE CAPACITY .....	94
<i>TABLE 30 GLOBAL MASS STORAGE CAPACITY SALES BY MARKET, THROUGH 2007 (PETABYTES).....</i>	94
<i>FIGURE 6 GLOBAL MASS STORAGE CAPACITY SALES BY MARKET, 2002 AND 2007 (PETABYTES).....</i>	94

COMPETITIVE ENVIRONMENT .....	95
Vendors .....	95
<i>TABLE 31 MAJOR MASS STORAGE SYSTEMS HARDWARE VENDORS</i> .....	95
<i>TABLE 31 (CONTINUED)</i> .....	96
Market Share Status .....	97
<i>TABLE 32 MARKET SHARE STATUS OF STORAGE SYSTEMS HARDWARE COMPANIES, 2001 (BASED ON MARKET REVENUE) (%)</i> .....	97
<i>FIGURE 7 STORAGE SYSTEMS HARDWARE MARKET SHARES, 2001</i> .....	97
STORAGE SYSTEMS SOFTWARE PRODUCT MARKET .....	98
MECHANICS .....	98
FORECAST METHODOLOGY .....	99
Storage Management Software Product Market.....	99
Regional Forecasts.....	99
THE GLOBAL STORAGE MANAGEMENT SOFTWARE MARKET .....	100
<i>TABLE 33 GLOBAL STORAGE MANAGEMENT SOFTWARE PRODUCT MARKET, BY REGION, THROUGH 2007 (\$ BILLIONS)</i> .....	100
North American Storage Management Software Product Market .....	100
Western Europe Storage Management Software Product Market .....	101
Asia-Pacific Storage Management Software Product Market .....	101
Rest of the World (ROW) Storage Management Software Product Market .....	102
Overall Storage Management Software Product Market .....	102
STORAGE MANAGEMENT SOFTWARE MARKET	
COMPOSITION .....	103
<i>TABLE 34 GLOBAL STORAGE MANAGEMENT SOFTWARE SALES, BY MARKET COMPONENT, THROUGH 2007 (\$ BILLIONS)</i> .....	103
Data Management and Protection Software Market .....	103
Storage System Management Infrastructure Software Market .....	104
Storage Virtualization Software.....	105
Storage Resource Management Software Market.....	105
Shares of Storage Management Software Market Components .....	106
<i>TABLE 35 REVENUE SHARE OF STORAGE SOFTWARE SALES, BY MARKET COMPONENT, 2002 AND 2007 (%)</i> .....	106
<i>FIGURE 8 REVENUE SHARE OF STORAGE SOFTWARE SALES, BY MARKET COMPONENT, 2002 AND 2007</i> .....	107
COMPETITIVE ENVIRONMENT .....	108
Vendors .....	108
<i>TABLE 36 MAJOR STORAGE MANAGEMENT SOFTWARE VENDORS</i> .....	108
Market Share Status .....	109
<i>TABLE 37 MARKET SHARE STATUS OF STORAGE MANAGEMENT SOFTWARE COMPANIES, 2001 (%)</i> .....	109

STORAGE SYSTEMS SERVICES PRODUCT MARKET .....	110
MECHANICS .....	110
FORECAST METHODOLOGY .....	110
Storage Services Product Market .....	110
Regional Forecasts.....	111
GLOBAL STORAGE SERVICES MARKET .....	112
<i>TABLE 38 GLOBAL MASS STORAGE SERVICES MARKET BY REGION, THROUGH 2007 (\$ BILLIONS).....</i>	112
North American Storage Services Market .....	112
Western Europe Storage Services Market .....	112
Asia-Pacific Storage Services Market.....	113
Rest of the World Storage Services Market.....	114
Overall Storage Services Market .....	114
STORAGE SERVICE MARKET COMPOSITION.....	115
<i>TABLE 39 GLOBAL MASS STORAGE SERVICES SALES, BY MARKET COMPONENT, THROUGH 2007 (\$ BILLIONS).....</i>	115
Support and Maintenance Services Component .....	115
Implementation and Integration Services Component.....	116
Managed Services and Outsourcing Services Component.....	116
Consulting Services Component .....	117
COMPETITIVE ENVIRONMENT .....	118
Vendors .....	118
<i>TABLE 40 MAJOR SUPPLIERS OF MASS STORAGE SERVICES .....</i>	118
Market Share Status .....	119
<i>TABLE 41 MARKET SHARE OF COMPANIES IN STORAGE SERVICES, 2001 (%) .....</i>	119
<i>FIGURE 9 STORAGE SERVICES SECTOR MARKET SHARES, 2001.....</i>	119
Market Share Status (Continued).....	120
TOTAL MASS STORAGE SYSTEMS PRODUCTS MARKET .....	121
OVERALL STORAGE MARKET BY PRODUCT SECTOR .....	121
<i>TABLE 42 GLOBAL MASS STORAGE MARKET, BY MAJOR PRODUCT SECTOR, 2001 THROUGH 2007 (\$ BILLIONS).....</i>	121
OVERALL STORAGE MARKET BY PRODUCT CATEGORY SHARES .....	122
<i>TABLE 43 SHARES OF MASS STORAGE MARKET BY MAJOR PRODUCT SECTOR, 2002 AND 2007 (%).....</i>	122
<i>FIGURE 10 SHARES OF MASS STORAGE MARKET BY MAJOR PRODUCT SECTOR, 2002 AND 2007 (%).....</i>	122
Overall Storage Market By Product Category Shares (Continued) .....	123
MAJOR MARKETS AND MARKET APPLICATIONS.....	124
MAJOR MARKETS IN MASS STORAGE .....	124
MARKET STATUS.....	124
<i>TABLE 44 SHARES OF MAJOR MASS STORAGE VERTICAL MARKETS, 2002 AND 2007 (%).....</i>	124
MASS STORAGE MARKETS BY LEADING APPLICATIONS.....	125
DIRECT ATTACHED STORAGE.....	125

Market Outlook.....	125
<b>TABLE 45 MARKETS BY APPLICATION — DIRECT ATTACHED STORAGE, THROUGH 2007, WORLDWIDE (\$ BILLIONS) .....</b>	<b>125</b>
Storage Systems Hardware .....	125
Storage Management Software .....	126
Storage Services .....	126
Overall Direct Attached Storage Market.....	127
Critical Assumptions .....	127
Regional Perspective .....	128
<b>TABLE 46 DIRECT ATTACHED STORAGE MARKET BY REGION, 2001 THROUGH 2007 (\$ BILLIONS).....</b>	<b>128</b>
<b>NETWORK ATTACHED STORAGE .....</b>	<b>129</b>
Market Outlook.....	129
<b>TABLE 47 MARKETS BY APPLICATION — NETWORK ATTACHED STORAGE, WORLDWIDE, THROUGH 2007 (\$ BILLIONS) .....</b>	<b>129</b>
Storage Systems Hardware .....	129
Storage Management Software .....	130
Storage Services .....	130
Overall Network Attached Storage Market.....	131
Critical Assumptions .....	131
Regional Perspective .....	132
<b>TABLE 48 GLOBAL NETWORK ATTACHED STORAGE MARKET BY REGION, THROUGH 2007 (\$ BILLIONS).....</b>	<b>132</b>
<b>STORAGE AREA NETWORKS.....</b>	<b>133</b>
Market Outlook.....	133
<b>TABLE 49 MARKETS BY APPLICATION — STORAGE AREA NETWORKS, WORLDWIDE, THROUGH 2007 (\$ BILLIONS) .....</b>	<b>133</b>
Storage Systems Hardware .....	133
Storage Management Software .....	134
Storage Services .....	134
Overall Storage Area Network Market.....	135
Critical Assumptions .....	135
Critical Assumptions (Continued) .....	136
Regional Perspective .....	137
<b>TABLE 50 STORAGE AREA NETWORKS BY REGION, THROUGH 2007 (\$ BILLIONS) .....</b>	<b>137</b>
<b>OVERALL MARKET BY LEADING APPLICATIONS .....</b>	<b>137</b>
World Market Perspective.....	137
<b>TABLE 51 WORLD MASS STORAGE MARKET BY APPLICATION, THROUGH 2007 (\$ BILLIONS).....</b>	<b>137</b>
<b>TABLE 52 MARKET SHARES OF DIRECT ATTACHED VS. NETWORKED STORAGE, 2002 AND 2007 (%).....</b>	<b>138</b>
<b>FIGURE 11 MARKET SHARES FOR DAS VS. NETWORKED STORAGE, 2002 AND 2007.....</b>	<b>138</b>
<b>COMPANY PROFILES .....</b>	<b>139</b>
ADVANCED DIGITAL INFORMATION CORPORATION (ADIC) .....	139
AUSPEX SYSTEMS.....	139

BMC SOFTWARE, INC.....	140
BROCADE COMMUNICATIONS.....	140
COMPUTER ASSOCIATES INTERNATIONAL, INC. ....	141
DATACORE SOFTWARE CORPORATION.....	141
DELL COMPUTER CORPORATION .....	142
DOT HILL SYSTEMS CORPORATION .....	143
ELECTRONIC DATA SYSTEMS CORPORATION .....	143
EMC CORPORATION .....	144
EXABYTE CORPORATION .....	144
FUJITSU, LTD./FUJITSU SOFTWARE TECHNOLOGY CORP. (SOFTEK) .....	145
HEWLETT-PACKARD CO./COMPAQ COMPUTER CORP. ....	146
HITACHI, LTD./HITACHI DATA SYSTEMS .....	146
IBM CORPORATION .....	147
INRANGE TECHNOLOGIES CORPORATION .....	148
LEGATO SYSTEMS, INC. ....	148
LSI LOGIC STORAGE SYSTEMS INC. ....	149
MAXOPTIX CORPORATION.....	149
MCDATA CORPORATION .....	150
MTI TECHNOLOGY CORPORATION.....	150
NETWORK APPLIANCE, INC. ....	151
PROCOM TECHNOLOGY, INC. ....	151
QLOGIC CORPORATION .....	152
QUANTUM CORPORATION/SNAP APPLIANCES, INC.....	153
SEAGATE TECHNOLOGY LLC/XIOTECH CORPORATION.....	153
SONY CORPORATION .....	154
STORAGE TECHNOLOGY CORPORATION .....	154
STORAGENETWORKS, INC. ....	155
SUN MICROSYSTEMS, INC. ....	155
VERITAS SOFTWARE CORPORATION .....	156
VIXEL CORPORATION .....	157
 APPENDIX .....	158
INDUSTRY RELATED ORGANIZATIONS .....	158
INDUSTRY RELATED PUBLICATIONS .....	158
INDUSTRY RELATED PUBLICATIONS (CONTINUED).....	159