

THE AI BOOM HAS CHANGED STORAGE SUPPLY



**Here's How I'm Thinking About AI's Impact
on Consumer Storage**

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THE AI BOOM ISN'T JUST ABOUT "MORE STORAGE". WHAT WE'RE FINDING IS THAT IT'S ABOUT A SMARTER STORAGE SELECTION.

AI is pulling a lot of capacity toward data center and enterprise needs. When supply gets tight, consumer categories—especially the most price-driven ones—tend to feel it first.

Fortunately, consumer storage isn't going away. It's just becoming more selective, and more purpose-

driven. What Lexar is focused on goes beyond SSD capacity. We're focused on helping customers keep AI data pipelines moving without bottlenecks.

AI is changing user expectations, and to ensure we meet those expectations, the storage we build needs to be fast, secure, designed for AI, and can be integrated with cloud/edge ecosystems. AI infrastructure is driving a major shift in storage requirements. Real challenges have emerged around performance, endurance, and especially supply continuity. But I don't think it's a reason to panic.

WHAT CHANGES FIRST: THE MOST COMMODITIZED CATEGORIES

In tight conditions, the lowest-end products get squeezed—because they rely heavily on promotions, fast pricing moves, and predictable supply. When any of those get disrupted, it shows up quickly in the market.

That usually leads to fewer "me too" SKUs, less promo depth, and more pressure to simplify assortments.





WHAT HOLDS UP: STORAGE WITH A CLEAR JOB TO DO

At the same time, demand is still strong where storage solves a real problem—creators moving large files, gamers looking for the edge that high-performance delivers, professionals whose livelihoods depend on reliability and compatibility, and anyone who doesn't want to gamble with their data.

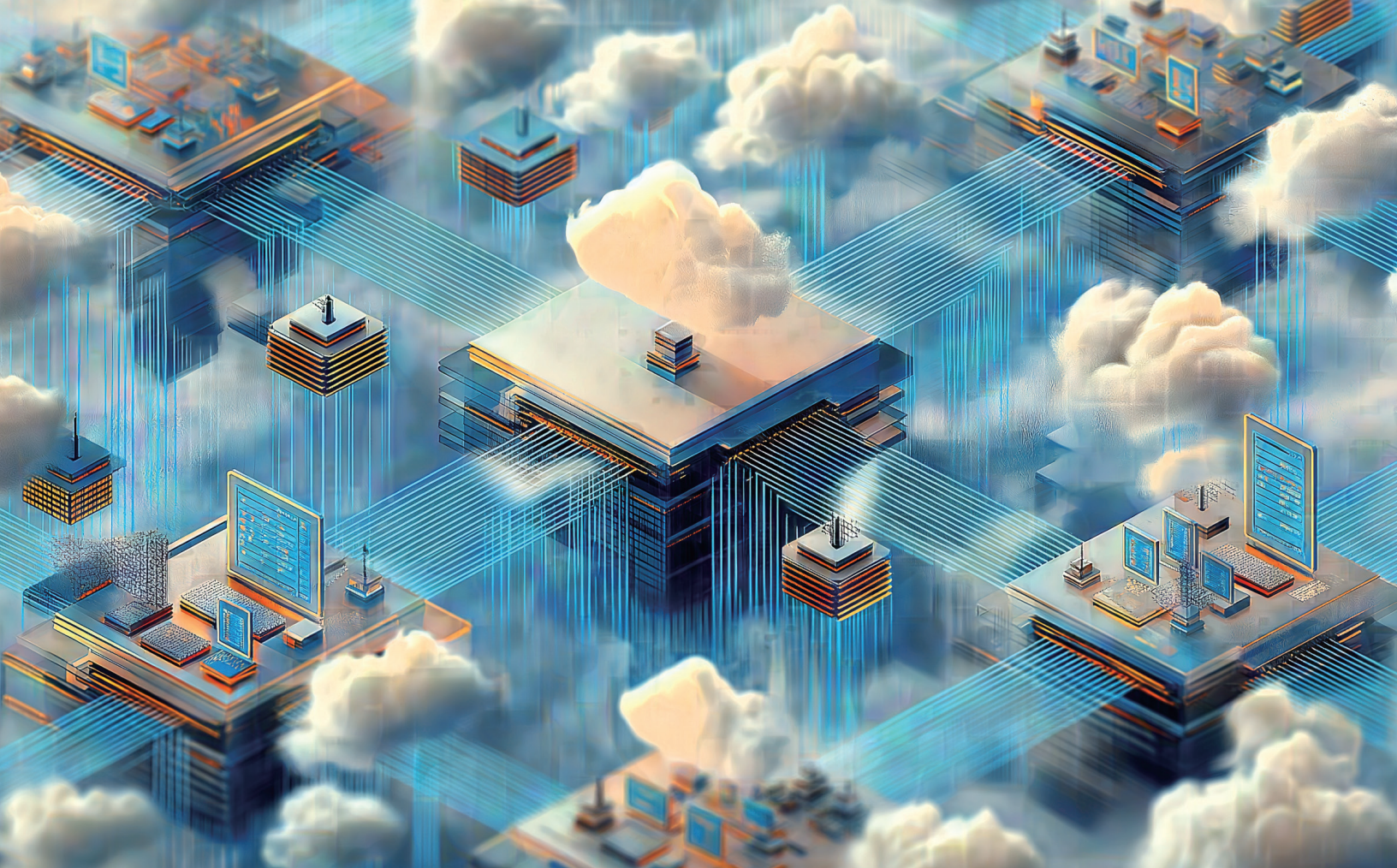
In those segments, people don't buy purely on price. They buy on trust and outcomes.

At Lexar Enterprise, we design and manufacture high-performance memory and storage solutions for OEM, industrial, automotive, and data center markets. Our portfolio includes enterprise SSDs (PCIe, M.2, U.2), embedded storage (eMMC, UFS, POP), and DRAM modules (including RDIMMs) built for reliability and sustained performance.

In the AI era, AI workloads demand fast, durable, low-latency storage for model training, inference, edge computing, and data logging. That's why the Lexar Enterprise SSD portfolio is designed specifically for high-throughput AI workloads, whether that's training clusters, inference storage tiers, or large database management.

Customers see the most value in:

- Consistent low latency for faster model training and inference
- Higher endurance for heavy AI read/write cycles
- Predictable supply in a tight NAND market
- Strong roadmap alignment as AI infrastructure scales



PORTABLE STORAGE VS. CLOUD STORAGE: NOT AN “EITHER/ OR” PROPOSITION

Cloud storage will keep growing. But it’s not a full replacement for portable storage.

Most data is still created at the edge—phones, cameras, PCs, game consoles, and field systems. Portable storage still matters for capture, transfer, working files, and backup. The cloud adds convenience and accessibility, but the future is really hybrid.

Does this “revive” hard disk drives (HDDs)?

In certain places, yes—mainly in large-scale, cost-per-TB storage environments like cloud and enterprise archive and backup. That doesn’t mean HDDs come roaring back in consumer use cases, but it does reinforce a broader point: the industry is getting clearer about which technology fits which job.



DECISION POINT:

HOW SHOULD YOUR COMPANY RESPOND?

Strategically, the impact of AI means you should prioritize mix over volume, focus over breadth, and discipline over hype. It's actually a great time to focus on fundamental business practices of delivering on what people want and need, and reducing the waste of low-demand products.

If you're in the storage business, this is a moment for focus: simplify the lineup, double down on the SKUs that matter, build clearer product stories tied to real use cases, prioritize quality and reliability, and play the long game.

That includes maintaining pricing discipline, tightly controlling inventory, and avoiding overbuilding during AI-fueled optimism. NAND remains cyclical—companies that stay lean and focused when demand is strong are the ones that sustain profitability when the cycle cools.

For us, it's not just about capacity. We're helping enterprise customers ensure AI data pipelines stay fast, reliable, and scalable. Modern AI environments, especially environments built around accelerated compute platforms like NVIDIA ecosystems, expose new storage bottlenecks that traditional SSDs weren't designed for. If your company is still incorporating AI into its processes, then reach out to see how we can help you navigate the current digital storage environment and prepare for the long-term.

My takeaway: the AI buildout is a multi-year shift, and the consumer market will adjust alongside it. The companies that do well won't be the loudest. They'll be the most disciplined.

None of these supply challenges and AI impacts change our commitment to supporting our partners and customers—it simply demands our flexibility in the short-term and reflects how we're thinking about the category for the long term.