

Amazon turns up the volume on rivals with Echo price cut (Update)

September 27 2017, by Michael Liedtke



David Limp, senior vice president of Devices and Services at Amazon, smiles as he displays a new Amazon Echo during an event announcing several new Amazon products by the company, Wednesday, Sept. 27, 2017, in Seattle. Amazon says it is cutting the price of its Echo smart speaker, improving the sound quality and upgrading its appearance with six new "shells." The next generation speaker, which is powered by Amazon's Alexa voice assistant, will have a dedicated woofer and a tweeter for the first time, as well as Dolby sound. (AP Photo/Elaine Thompson)

Amazon will head into the holiday shopping season with a simple wish list: It wants voice-controlled devices featuring its digital assistant Alexa to become as ubiquitous in people's homes as televisions.

The online retailer is slashing prices to undercut Google, introducing better acoustics in response to a forthcoming Apple speaker and rolling out new formats to appeal to different tastes and needs.

"We want to make sure we are building a product that everyone can use," said David Limp, Amazon's senior vice president of devices and services, during a Wednesday event showcasing the company's holiday product line-up at its Seattle headquarters.

Amazon so far has proven far better at discounting a potpourri of goods online than it has been at making its own devices. Most notably, it tanked in its attempt to make a smartphone, putting it at a disadvantage against Google and Apple—the makers of Android and the iPhone, respectively—in the battle to stay connected with consumers when they're on the go.

A HOME-STYLE APPROACH

But Amazon has found a way to play a bigger role in people's homes with the Echo, an internet-connected speaker starring Alexa as a concierge who can do everything from order a pizza to turn out the lights on command.



Journalists wait at a bank of windows in view of the Space Needle before an event announcing several new Amazon products by the company, Wednesday, Sept. 27, 2017, in Seattle. (AP Photo/Elaine Thompson)

Amazon won't say how many Echos it has sold since the device's 2014 debut. Limp would only say "tens of millions" of devices currently include Alexa and that Amazon now employs more than 5,000 people trying to make the assistant even smarter.

The Echo's popularity prodded Google to introduce its own internet-connected speaker, Home, with a digital assistant last year. Apple is scheduled to roll out its own speaker, the HomePod, in December.

Google has been positioning its speaker as a less expensive alternative with a smarter assistant. Amazon now aims to erase the price advantage with the next generation of the Echo. The new version will sell for \$100, a 44 percent reduction from the \$180 price for the current version.

Google's Home speaker currently sells for \$130, but that price could be

lowered next week when the company is expected to unveil its own holiday line-up in San Francisco.



David Limp, senior vice president of devices and services at Amazon, displays an Echo Button device during an event announcing several new Amazon products by the company, Wednesday, Sept. 27, 2017, in Seattle. (AP Photo/Elaine Thompson)

GOING UPSCALE

Amazon is also adding higher fidelity equipment to the next-generation Echo in an apparent response to the HomePod. Apple is promoting its speaker primarily as a superior sound system for music, although it will also feature Apple's digital assistant, Siri. The HomePod, though, will cost three times more than the next-generation Echo at almost \$350.

For those that want even better sound and more features for controlling internet-connected lighting and appliance inside the home, Amazon also is introducing the Echo Plus, a slightly taller speaker that will sell for \$150.

Pre-orders for both the new Echos began Wednesday. Amazon hasn't set a precise shipment date, but said both devices will be ready before Christmas.



An Amazon Echo Dot is displayed during a program announcing several new Amazon products by the company, Wednesday, Sept. 27, 2017, in Seattle. (AP Photo/Elaine Thompson)

Amazon also will begin selling a digital device called the Echo Connect that can serve as a speaker system for a home phone landline. It is introducing small devices for playing games called Amazon Buttons and another Alexa-powered device with a 2.5-inch screen called the Echo Spot. The Spot, designed to resemble an alarm clock, will cost \$130.

VIDEO STREAMING

Amazon is also engaged in a fight to become the preferred device for streaming internet video.

It unveiled a new version of its Fire TV player that will stream 4K video like its predecessor, but will sell for \$70, down from \$100 previously. That's more than \$100 cheaper than Apple's latest streaming player, which sells for almost \$180. Other companies like Roku and Google sell streaming devices at comparable or even lower prices than Fire TV.



David Limp, senior vice president of Devices and Services at Amazon, displays a new Echo, left, and an Echo Plus during an event announcing several new Amazon products by the company, Wednesday, Sept. 27, 2017, in Seattle. Amazon says it is cutting the price of its Echo smart speaker, improving the sound quality and upgrading its appearance with six new "shells." The online retailer also announced a premium version of the Echo Plus, which has improved sound and can act as the hub of a smart home. (AP Photo/Elaine Thompson)

Amazon also announced that BMW is joining other automakers such as Ford, Hyundai and Mercedes who are incorporating Alexa into their dashboard consoles. Those alliances with automakers still might not be enough keep Amazon and Alexa competitive with Google and Apple outside the home, given the software made by those two power most of the smartphones in the world.

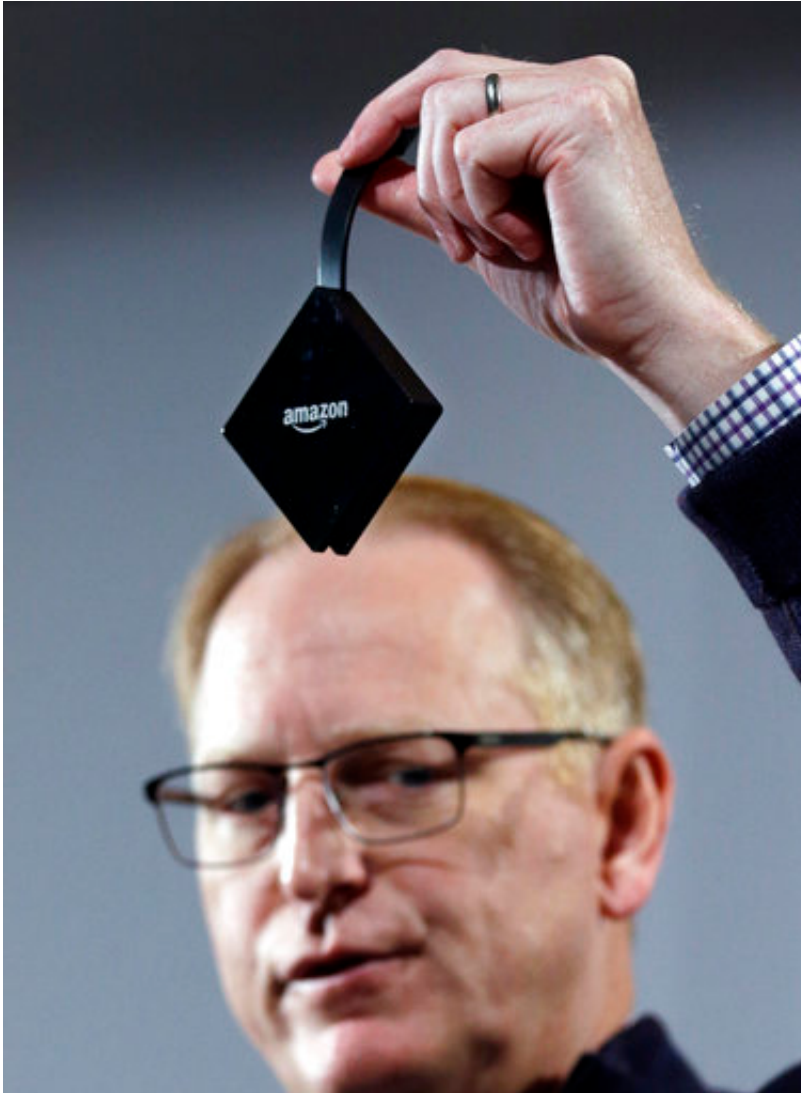
There had been speculation that Amazon is working on a pair of internet-connected glasses that would make it easier for people to take Alexa with them wherever they go, but no such device was mentioned Wednesday.



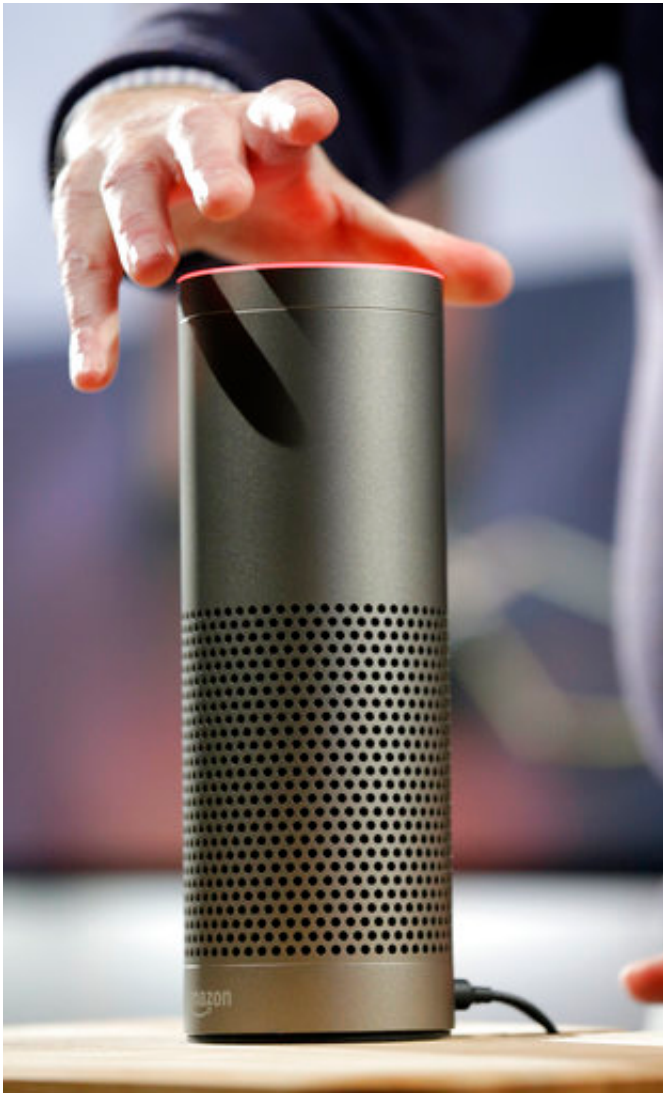
An Amazon Echo Spot is displayed during a program announcing several new Amazon products by the company, Wednesday, Sept. 27, 2017, in Seattle. The round version of the Echo Show has its own 2.5-inch display that can provide visual information, such as the weather or a clock face. It also provides access to Alexa and supports optional video-calling support. (AP Photo/Elaine Thompson)



A new Amazon Echo is displayed during a program announcing several new Amazon products by the company, Wednesday, Sept. 27, 2017, in Seattle. Amazon says it is cutting the price of its Echo smart speaker, improving the sound quality and upgrading its appearance with six new "shells." The next generation speaker, which is powered by Amazon's Alexa voice assistant, will have a dedicated woofer and a tweeter for the first time, as well as Dolby sound. (AP Photo/Elaine Thompson)



David Limp, senior vice president of devices and services at Amazon, displays a new Fire TV dongle that plugs into the back of a television, during an event announcing several new Amazon products by the company, Wednesday, Sept. 27, 2017, in Seattle. (AP Photo/Elaine Thompson)



A new Amazon Echo Plus is displayed during a program announcing several new Amazon products by the company, Wednesday, Sept. 27, 2017, in Seattle. The online retailer also announced the premium version of the Echo Plus, which has improved sound and can act as the hub of a smart home. (AP Photo/Elaine Thompson)



David Limp, senior vice president of devices and services at Amazon, displays how to use Echo Button devices to play a game during an event announcing several new products by the company, Wednesday, Sept. 27, 2017, in Seattle. (AP Photo/Elaine Thompson)

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