

## Ask and you shall receive in world of voice shopping

September 1 2017, by Julie Charpentrat



Amazon launched its first Echo device in 2014 and has already sold millions of the smart speakers, according to industry trackers

Ordering pizza from the sofa without lifting a finger has joined the list of modern-day conveniences thanks to a hot trend in voice-commanded smart speakers.

Amazon, Apple and Google are duking it out with devices designed to sit



out of sight in homes, awaiting spoken commands to tend to tasks such as ordering goods, finding information, playing music, mapping routes, or reading email.

According to Gartner, the market for voice-activated speakers equipped with artificial intelligence and synched to the internet will grow to \$3.52 billion in 2021 from \$360 million in 2015.

While it is difficult to assess how many people use the devices to order online, industry analysts see it as a trend.

"Shopping through speakers is still an early adopter activity," said Creative Strategies analyst Carolina Milanesi.

"It's going to be slow. It's not going to be overnight."

Thanks to bargain prices for Amazon Echo devices in particular, smart speakers are becoming mainstream but consumers are not yet ready to fully trust the technology, Milanesi said.

Voice-controlled shopping, for now, involves mainly straight-forward, repeated buys such as laundry soap or dog treats, with people tending to want to actually see big-ticket items, especially if they involve style or color choices, she contended.

## Minimal effort

Lifestyles revolving around smartphones, with less time spent in front of desktop or laptop computers, were expected to enhance the lure of shopping by voice.

A fan watching a sporting match on television can simply call out for their favorite pizza. Someone cooking can give an oral order to restock



olive oil before they forget.

"Convenience is something that drives a lot of behavior," Milanesi said, noting that voice-commands even spare the trouble of tapping a screen to open an app.

"It's human behavior, the least amount of effort for the greatest reward."

Analyst Jack Gold of J. Gold Associated considered voice-shopping a major trend that has been embraced by distributors and technology firms, Amazon foremost among them.

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Apple's Senior Vice President of Worldwide Marketing Phil Schiller speaks during the 2017 Apple Worldwide Developer Conference (WWDC), at the San



Jose Convention Center, on June 5

Echo devices are built with Alexa artificial intelligence for conversational style interactions.

Amazon dominates the smart speaker industry, with 70 percent of the market in the US while second-place Google Home has about 24 percent, according to eMarketer.

And with the recent acquisition of trendy Whole Foods organic supermarket chain, Amazon will enable Echo users to order groceries from those shops. It will also sell the smart speakers at Whole Foods, giving the online retailer real-world outlets.

Amazon's Alexa and Microsoft's Cortana will start talking to each other in a first of its kind alliance of rival digital assistants, the companies said this week.

Echo device users will be able to ask Alexa to bring in Cortana as a "guest" to tend to tasks such as booking meetings or reading work email.

Meanwhile, those with devices powered by Windows 10 software will be able to have Cortana bring in Alexa for tasks such as controlling smart devices in homes or, of course, ordering items from Amazon.

## **Spoken loyalty**

Apple this year unveiled a "HomePod" speaker set to begin shipping in December.

Not to be left behind, South Korean consumer electronics colossus



Samsung recently announced it is working on a smart <u>speaker</u>.

Wal-Mart, the world's biggest retailer, and Google are teaming up in an attempt to challenge Amazon's growing dominance in online shopping.

The venture marries Google's hands-free voice activated Google Home software to Wal-Mart's vast network of US stores to allow customers to order groceries and other items to be home delivered through Google Express.

Voice-commanded shopping is a good way to enhance customer loyalty, and companies could eventually start pushing ads through smart speakers, according to analyst Gold.

"Attracting customers to their marketplaces is exactly what (companies) want," Gold said, warning that the trend could wind up better for businesses than for consumers as shopping gets concentrated, say at Amazon or Google Express.

"It's a continuous strategy."

Analyst Colin Sebastian of Baird expected voice shopping to bite into Google's revenue over time as voice interactions mean fewer online ads served up by the internet company.

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