



The Rise of Voice Technology

May 2019

Welcome To The Future

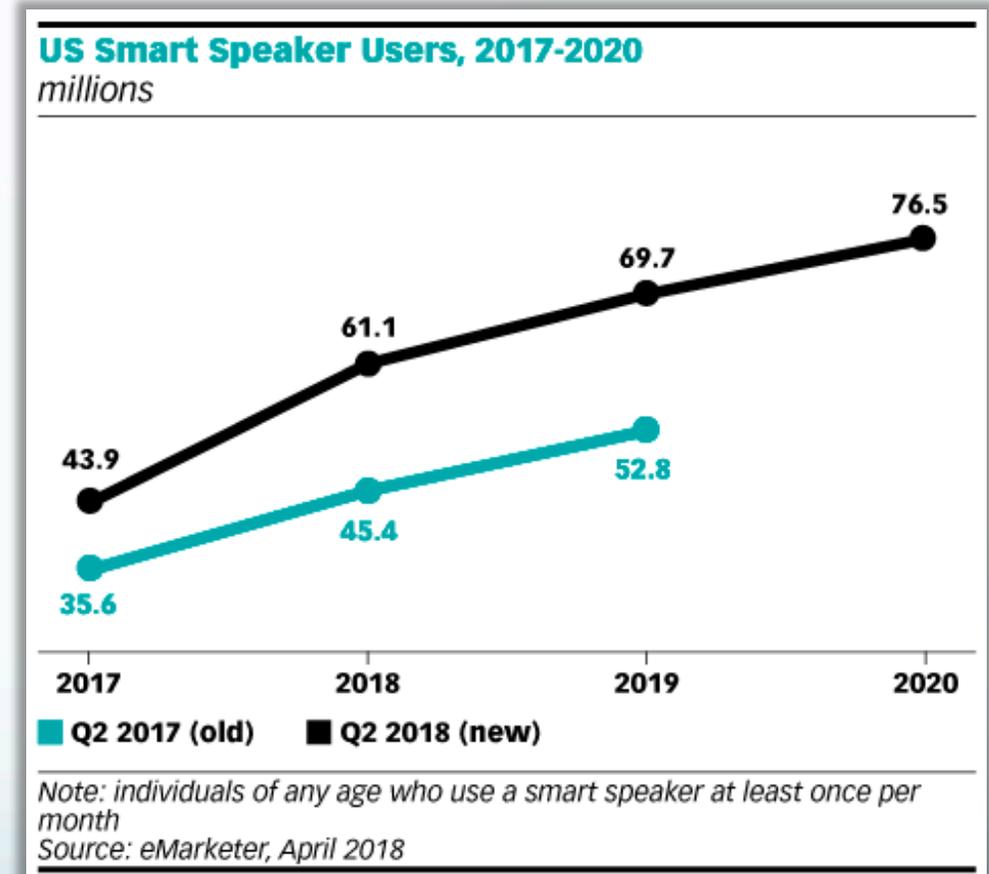
Smart speakers and voice-enabled technology are changing the way we navigate everyday life.

Usage has grown dramatically over the past few years, with the number of US users projected to be **76.5M** by 2020.

Is your marketing plan ready to embrace the sweeping changes that lie ahead?

Are you already tailoring your advertising for voice tech, but need some pointers on how to fine tune?

We're here to help. Let's take a closer look at how this landscape is evolving...



Proof In The Numbers: The Need-To-Knows About Voice Search & Smart Speakers

- The voice recognition market is a \$601 million industry
- 16% of Americans own a voice-activated smart speaker
- There is an estimated one billion voice searches per month
- 50% of all searches will be voice searches by 2020
- About 30% of all searches will be done without a screen by 2020
- There will be an estimated 21.4 million smart speakers in the US by 2020
- 55% of all households in the U.S. will own a smart speaker by 2022

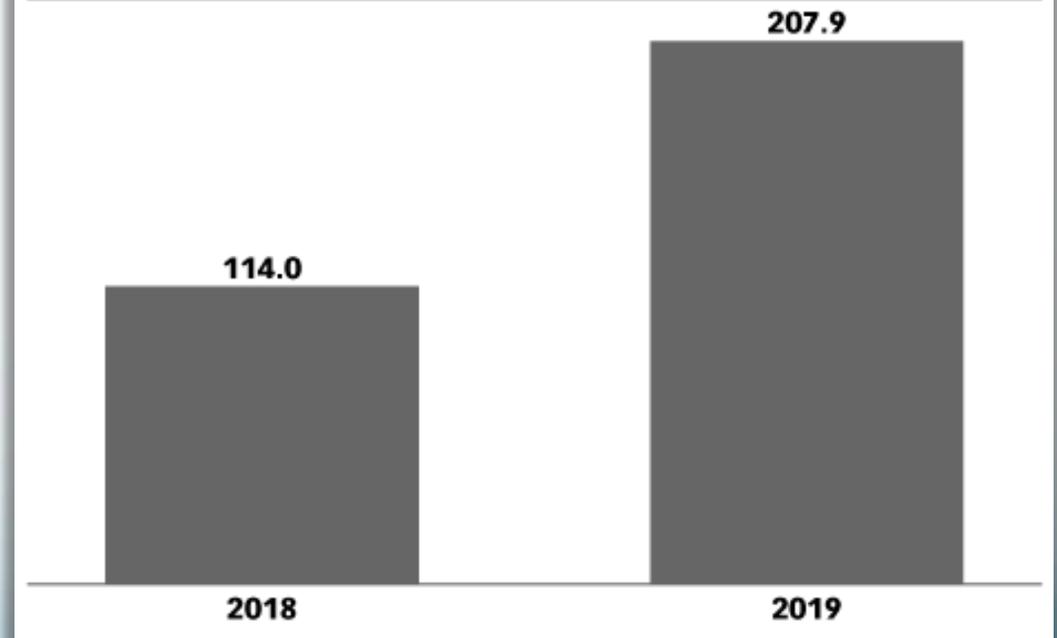


Growth Around The Globe

The number of smart speakers in use is not only increasing in the U.S., but also showing tremendous growth worldwide, with an 82% increase from 2018.



**Installed Base of Smart Speakers Worldwide,
2018 & 2019**
millions



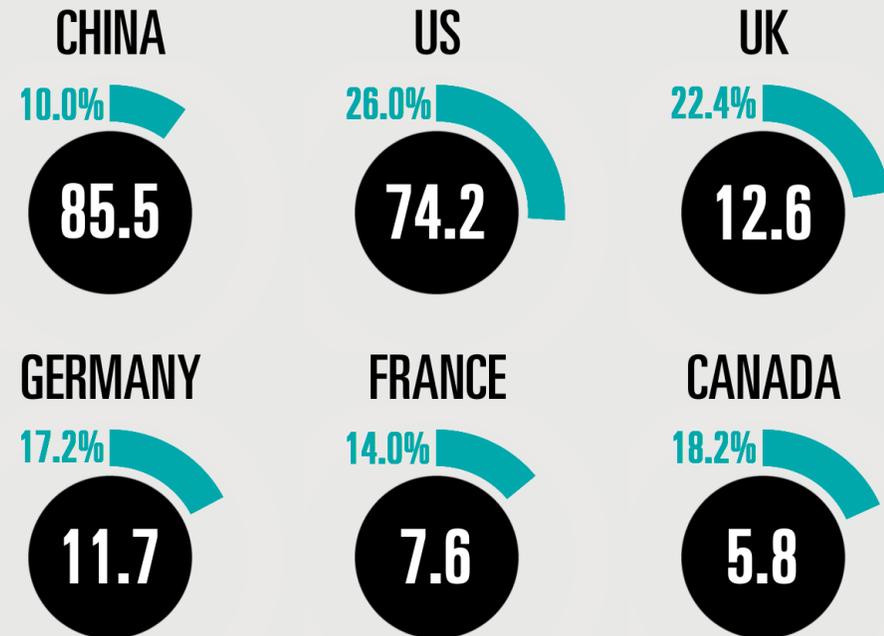
China currently leads the world in the sheer number of smart speaker users, **with 85.5 million.**

However, the U.S. still holds the top spot in the percentage of the population using smart speakers, with the UK not far behind.

The effects of voice technology on the global market will be significant.

Smart Speaker Users in Select Markets, 2019

millions and % of internet users



Note: individuals of any age who use a smart speaker at least once per month; a smart speaker is a standalone device which includes a voice assistant, such as Google Home, Amazon Echo, Apple HomePod, or Alexa-enabled Sonos One; excludes smartphones, desktops/laptops, tablets, wearables, gaming consoles, TV consoles, VR headsets, cars, and smart-home devices



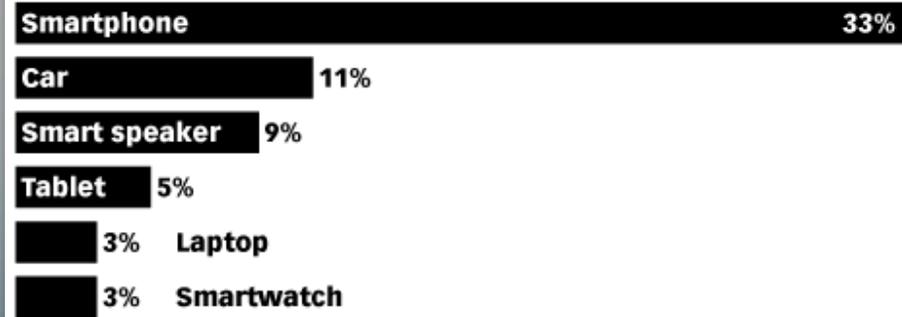
Voice Search Usage

Convenience

Smartphones still remain the most common device on which users use a voice assistant, most likely due to the fact that they are almost always on or near consumers, regardless of where they are.

On Which Devices Do US Internet Users Use a Voice Assistant?

% of respondents, Sep 2018



Note: n=1,828 ages 18+

Source: CivicScience as cited in company blog, Sep 9, 2018

Common room (e.g., family room, living room, etc.)

52%

Bedroom

25%

Kitchen

22%

At Home

Yet, in the home, smart speakers are most often placed in common rooms, like the living room.



And what exactly are users doing with their smart speakers?

- Ultimately, smart speakers are primarily used as informational tools
- The top daily uses include:
 - Listening to music
 - Asking questions
 - Checking the weather

What Activities Are US Smart Speaker Users Conducting on Their Smart Speakers?

% of respondents, Jan 2019

	Use daily	Use monthly	Have ever tried
Listen to streaming music service	38.2%	69.9%	83.0%
Ask a question	36.9%	66.0%	84.0%
Check the weather	35.6%	61.4%	80.1%
Set an alarm	23.5%	41.8%	62.4%
Control smart-home devices	23.5%	33.3%	45.8%
Set a timer	22.9%	46.7%	62.4%
Listen to radio	21.2%	40.5%	54.9%
Use a favorite Alexa skill/Google action	18.3%	35.0%	48.7%
Listen to news/sports	13.4%	28.8%	43.8%
Check traffic	11.8%	22.9%	36.9%
Call someone	11.4%	23.5%	40.2%
Access my calendar	11.4%	21.2%	31.7%
Listen to podcasts and other talk formats	11.1%	26.5%	39.9%
Play game or answer trivia	10.8%	29.1%	48.0%
Search for product info	10.8%	27.8%	41.2%
Message someone	10.5%	18.3%	30.4%
Find a recipe or cooking instructions	7.8%	26.1%	40.2%
Make a purchase	3.9%	15.0%	26.1%

Note: ages 18+

Source: Voicebot, "Smart Speaker Consumer Adoption Report" sponsored by Voicify, March 7, 2019



Food For Thought About Smart Speaker Usage

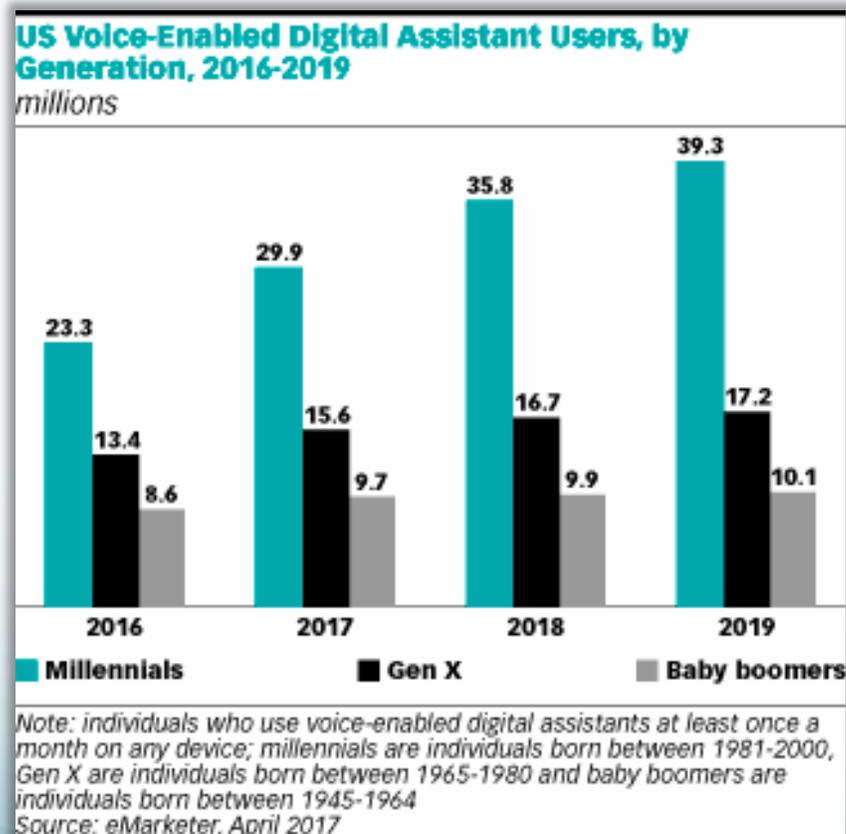
- 72% of people who own voice-activated speakers say that their devices are used as part of their daily routines
- 65% of people who own an Amazon Echo or Google Home can't imagine going back to the days before they had a smart speaker
- 41% of people who own a voice-activated speaker say it feels like talking to a friend or another person

Although smart speakers may still have a ways to go in terms of adoption, once people start using them, they tend to have high levels of satisfaction.

It mimics the way we talk and communicate in real life, quickly making the action feel natural and familiar.



Voice Search Demographics



Who is using voice assistants?

- Not surprisingly, Millennials are leading the pack among adults
- However, we can expect to see a rise in usage for less tech-savvy Baby Boomers
- *Why?* Because voice assistants don't require typing into a small screen and may, in turn, provide great ease and convenience for those with limited mobility



- Young kids are also showing strong engagement with smart speakers
- Just as Millennials were the first generation to always know life with computers, this generation of children will always know life with voice assistants. *They are practically becoming another member of the family!*
- Teens are not using smart speakers quite as much, but are heavily using voice-assistants on their phones

Smart Speaker Users, by Age

US, 2018, millions

% of Voice Assistant Users

0-11

98.9%

12-17

49.3%

% of Internet Users

0-11

4.6%

12-17

10.6%

Source: eMarketer, April 2018

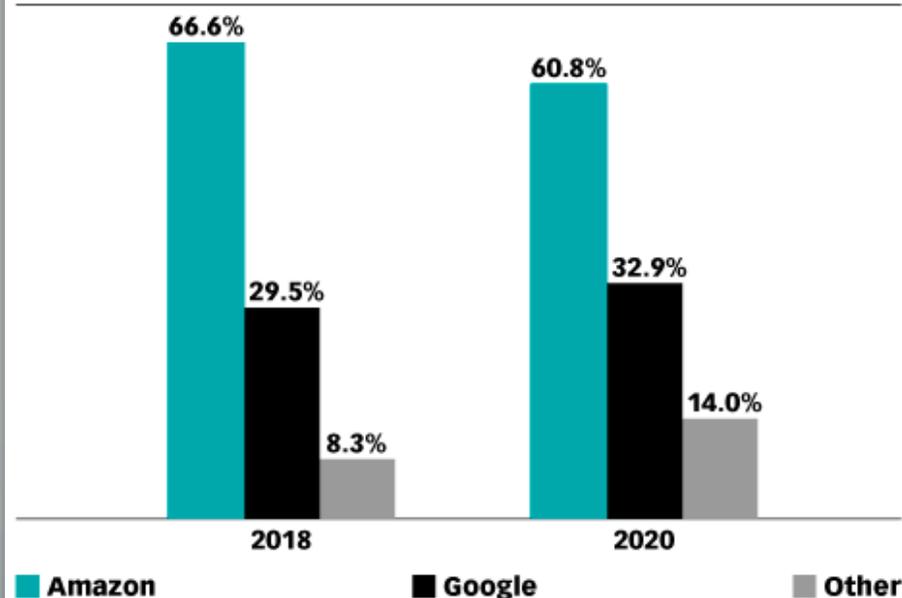
In 2018, Amazon released the Echo Dot Kids Edition, realizing kids and families may be at the core of the smart speaker market.



Voice Search Devices

US Smart Speaker Users, by Brand, 2018 & 2020

% of smart speaker users



Note: individuals of any age who use a smart speaker at least once per month; smart speaker users are not mutually exclusive; there is overlap between groups

Source: eMarketer, April 2018

Voice Assistants Used by US Internet Users to Find or Purchase Products, by Age, May 2018

% of respondents in each group

	18-29	30-44	45-60	61+	Total
Google Assistant	17.1%	19.4%	14.3%	8.0%	13.9%
Apple Siri	20.1%	17.4%	8.2%	8.5%	13.1%
Amazon Alexa	11.0%	11.8%	10.2%	4.4%	8.9%
Microsoft Cortana	10.4%	2.6%	2.0%	1.6%	3.5%
Other	3.7%	2.3%	1.5%	0.3%	1.7%
Haven't used voice assistants to shop	56.7%	61.5%	75.0%	80.8%	70.1%

Source: RichRelevance, "Site Search Survey 2018," June 4, 2018

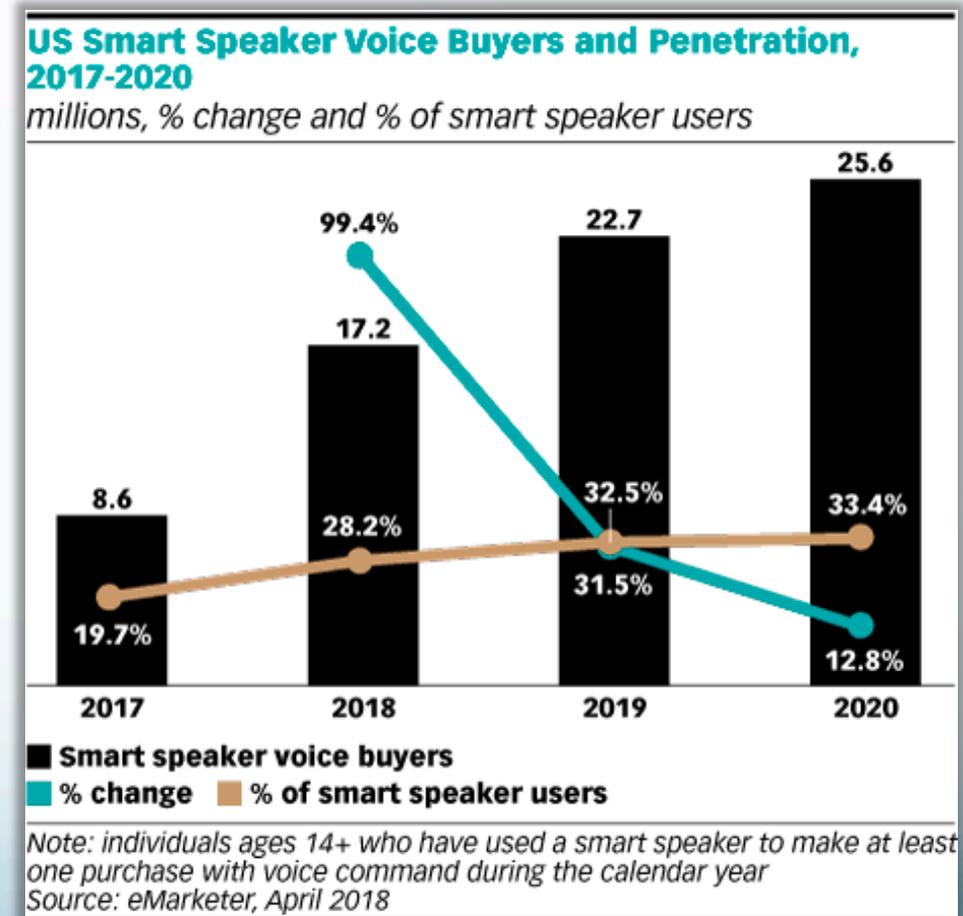
- Amazon leads the smart speaker market by a landslide, however, it is interesting to note that Google Assistant and Apple Siri are the most often used voice assistants when finding or purchasing products

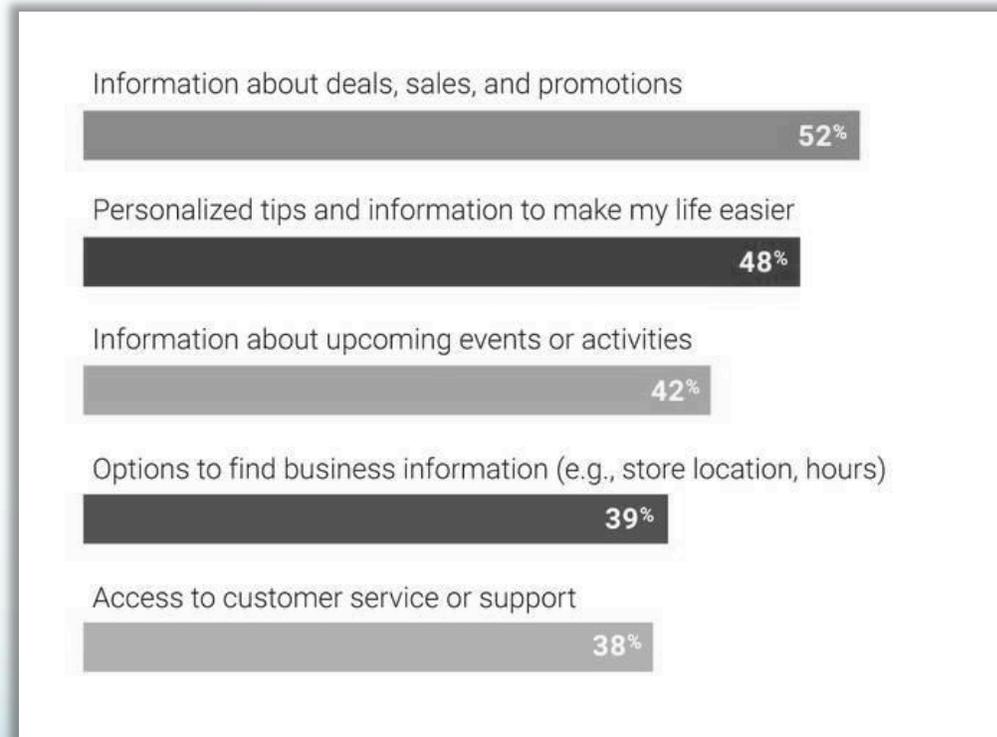


Voice Commerce

More and more people are starting to use their smart speakers to make purchases and the numbers are expected to grow past 2020.

- It is quick, easy and convenient, especially for buying or re-purchasing everyday items that don't require much research
- Smart speakers fit nicely into our busy lives, where we are constantly multitasking and looking for hands-free tools





According to Google, 53% of voice-activated speaker owners would like to receive information about deals and promotions.

- With people being so so receptive, marketers have a lot of opportunities to catch the attention of customers
- We may also see an uptick in shopping via voice during the holiday season, when consumers have a lot to purchase and may be more willing to try different methods



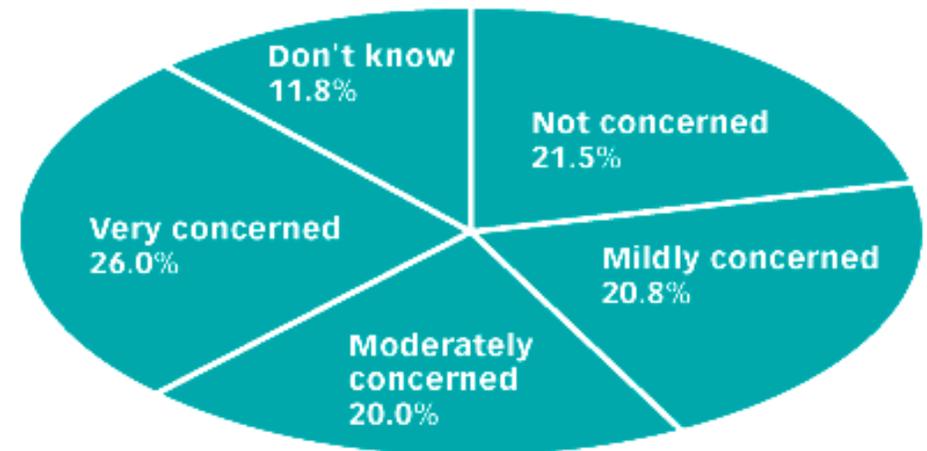
Some Lingering Concerns

Although smart speakers and voice assistants are becoming more mainstream, there is still quite a large group of people who are worried about privacy: *about 67% of internet users are concerned to some degree.*

With recent reports claiming that smart speakers are always listening, it's easy to understand why people may feel a little uncomfortable having one of these devices in their home.

How Concerned Are US Internet Users About the Privacy Risks of Smart Speakers?

% of respondents, Jan 2019



Note: ages 18+; numbers may not add up to 100% due to rounding
Source: Voicebot, "Smart Speaker Consumer Adoption Report" sponsored by Voicify, March 7, 2019



Reasons that US Internet Users Will Not Shop on Smart Speakers, Nov 2018

% of respondents

Like to see what they buy before a purchase, even if it's just a digital picture

51%

Worried about the privacy of personal information

48%

Worried about the security of payment information

46%

Note: ages 18+

Source: RetailMeNot, "The 2019 Retail Marketing Playbook," Jan 24, 2019

Even though privacy and security concerns prevent some shoppers from making purchases through smart speakers, that is not the only reason holding them back: *51% like to see a visual before they buy.*

- New screen-based systems like Echo Show and Facebook Portal may help with this issue
- Marketing teams must also start thinking about innovative ways to work around these hurdles, and what they can do to build trust with their customers



Facebook Portal



Google Home Hub



Amazon Echo Show 2



A Look Into The Future

Although voice technology has been growing steadily over the past few years, some experts predict 2020 will be the year voice explodes. Others foresee it taking a bit longer to really catch on, especially in terms of commerce.

Either way, most agree that voice will eventually be the way of the future.

We will soon see smart-everything around us with the rise of the IoT – cars, TVs, lights, appliances. We will all be able to communicate with them via voice and they will all be able to communicate with each other.

What Now?

Companies need to experiment with different ways to increase brand engagement through these new channels. Brands need to develop valuable auditory interactions with users, while striking the right tone.



Some Advice For *The Next Big Thing*

Marketing for voice technology does require a shift in approach. We need to stop thinking about swipes and clicks and more about voice commands. There are not many opportunities for traditional advertising, in part because voice platforms are hesitant to become too intrusive.

- Your website must be optimized for voice search, in order to help with SEO - immediate and accurate information is key
- Recognize that people will search using more complex and conversational questions than the truncated queries we type into search bars
- Research what it takes to get to your content as a coveted featured snippet or position zero - voice assistants will only provide the top answer per query, so you want to try your best to get that spot
- Invest in a really great chatbot to help users verbally navigate through your content
- Make sure your site is optimized for local search - one of the most common uses for voice assistants is finding local businesses
- Consider developing an application (called “skills” for Amazon Alexa, “actions” for Google Assistant, and apps on other platforms) - They enable users to perform a variety of tasks that help make life easier: like making grocery lists, finding recipes, scheduling appointments and controlling smart-home devices





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