

Voice Control: Inc Impact of COVID-19 - UK - May 2020

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“Voice is becoming an increasingly important way for brands to create interactions with consumers across key parts of their lives, from information gathering to smart home control and, increasingly, for purchasing.”
– Joe Birch, Consumer Technology Analyst – [May 2020]

This report looks at the following areas:

- The impact of COVID-19 on purchasing of consumer technology products in general and voice-controlled devices in particular.
- The ways in which consumers interact with voice controlled devices will change as a result of COVID-19.
- Launch activity and innovation from companies offering voice controlled devices and services.
- What has driven the growth in voice to date and how more people can be encouraged to use it in future.

Voice control looks set to play an increasingly prominent part in the lives of consumers as growth in the use of devices such as smart speakers, connected wearables and other smart household devices will underscore the use of voice in a diverse range of situations. Despite the negative impact that COVID-19 will have on technology purchasing across the board, people will be spending more time at home, increasing the number of interactions they have with the likes of Alexa and Google Assistant in what is still by far the preferred environment for use of voice. Voice control has the potential to streamline and automate many actions which consumers currently use a manual interface for, which holds promise in the medium-to-longer terms as many consumers adopt a less tactile way of life as a result of the virus.

The use of voice from a commerce perspective is likely to be driven by incremental gains. Smaller-ticket items and services can be a good gateway to the wider shopping experience, and consumers may well use voice as part of search and discovery in tandem with other means.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Opportunities and Threats

Voice could have greater purpose under lockdown

Providing a quick fix for new routines

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The facts

The implications

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Smart speakers could reach one in two homes by 2023

Voice's influence will be seen in the smart home and wearable categories

In-car use of voice control can accelerate wider use of the technology

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Increased visibility for brands via voice

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Concerns about privacy can hamper voice's potential

Advancements in AI capabilities can propel voice control's potential in the longer term

Market Overview

Voice platforms and ecosystems

Amazon Alexa and Echo devices

Google Assistant and Google Home/Nest

Siri and Apple HomePod

Samsung Bixby

Microsoft Cortana

Voice-controlled smart speakers

Speakers now in one in four homes

Organic discovery will continue to fuel further growth

Accessible pricing means low barriers to entry and multiple device ownership

Smart speakers with high-end audio capabilities getting the voice treatment

Voice in smartphones, tablets and PCs

Siri paves the way for voice on demand

Google Assistant leads the way in Digital Assistant IQ test on Smartphones

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Voice in the smart home

Voice's interaction with smart home devices set to unlock occasions for interaction

Amazon's Alexa everywhere vision key to driving growth

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Social platforms providing voice activated commerce opportunities

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Sentiment analysis will lead to more nuanced conversations

In-game advice on the cards

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Companies and Brands – What You Need to Know

Google introduces new services and capabilities for Assistant...

...and announces new smart home partnerships

Apple updates its CarPlay features

UK Government adds official advice to Alexa and Google Assistant

Amazon targets high end speaker market with release of Echo Studio

Samsung Announces new Galaxy Buds+

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Q, the world's first genderless voice, launches in 2019

Amazon's Alexa to offer NHS healthcare advice

More advanced health features are in the pipeline

BBC to launch its own digital voice assistant...

...and launches interactive news bulletins on smart speakers

YouTube launches free music streaming service on Google Home

Google introduces new services and capabilities for Assistant

Smart speakers as storytellers

Developers target in-car situation as a key voice situation

Amazon partners with high end car manufacturers to offer Alexa voice assistant in vehicles

Apple updates in-car interface CarPlay with iOS 13

GDS adds 12,000 pieces of information to Alexa and Google Assistant

Amazon adds high-end audio capabilities with the launch of Echo Studio

...and launches a suite of technologies to push Alexa further into consumers lives

Digital payments can help foster commerce opportunities

Vodafone lets customers make phone calls via Alexa

New Assistant functionality for Assistant at CES 2020

Assistant to be embedded across in-home devices

Facebook looks to crowdsource development of its speech recognition engine

Samsung eyes retail partnerships to raise Bixby's profile

Galaxy Buds+ arrive

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The Consumer – What You Need to Know

- Use of voice sees steady growth
- Voice controlled smart speaker ownership hits nearly one in four households
- Across the board, non-users struggle to see the benefit of voice technology for them
- Smart speakers overtake smartphones as the primary interface for users of voice control
- Increasing voice use via wearables amongst key demographics
- Amazon Echo still dominates the market
- Consumers still more comfortable using voice in the home
- In-car moments can be key for voice
- Playing music and basic information searches still dominate in usage activities
- Ease of use and product quality feature highly in product considerations

Smart Speaker Ownership and Use of Voice

- Use of voice sees steady growth
 - Figure 18: Historical use of voice commands to control a device April-17 to January-20
- Voice controlled smart speaker ownership hits nearly one in four households
 - Figure 19: Ownership of voice-controlled smart speakers, April 2018-January 2020
- Ownership skews younger but older generations are engaged
- Lowest-income households significantly less likely to own
- Families are key targets

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- Across the board, non-users struggle to see the benefit of voice technology for them
- Concerns about privacy still a factor in voice use
 - Figure 20: Non-users of voice commands – reasons for not using the technology, January 2020
- Reasons for not using voice can be multifaceted

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- There to be convinced
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- Increasing voice use via wearables amongst key demographics
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Smart Speaker Brand Ownership

- Amazon Echo still dominates the market
- Amazon responding to competitors' points of difference...
 - ...but opportunities remain for specialist brands to make an impression

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Figure 23: Smart speaker usage by brand, January 2020

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- Consumers still more comfortable using voice in the home
- In-car moments can be key for voice
- In-car presents a unique platform for voice to display its usefulness

Figure 24: Locations of voice control use January 2020

Smart Speaker Activities

- Playing music and basic information searches still dominate in usage activities
- Families taking the opportunity to save time and effort
- Food delivery could be better suited to voice purchasing
- fmcg will be the starting point for voice-led retail propositions
- Personalisation of experience will increase voice's potential
- Comparison sites with richer voice interaction could save consumers time and money
- Local search will play a role in unlocking voice potential
- Voice retail will need to overcome consumer concerns on privacy

Figure 25: smart speaker activities, January 2020

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- Ease of use and product quality feature highly in product considerations
- Ethical credentials can help brands set themselves apart
- Differentiation is crucial as consumers choose their ecosystem

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Attitudes to Smart Speakers

- Consumers currently find assistants helpful, though more can be done in promoting discovery of functionality
- Appetite for instruction among busy households and full-time workers
- Voice has a visibility problem for marketers
- Screen-based speakers will help make voice shopping more appealing
- Promoting localised deals and offers can bring useful personalisation
- The sensory nature of voice can be elevated for impact

Figure 27: Attitudes to voice assistants January 2020

Appendix – Data Sources, Abbreviations and Supporting Information

- Abbreviations
- Consumer research methodology

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