

Global smart speaker shipments grew 187% year on year in Q2 2018, with China the fastest-growing market

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The worldwide smart speaker market grew 187% in Q2 2018, with shipments reaching 16.8 million units. Google retained its first-place position from the previous quarter, with 5.4 million



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shipments of its Google Home models. It defended its position against Amazon, which shipped 4.1 million Echo devices in the quarter. While Amazon and Google benefited from international market expansion into Europe and Asia, both rely heavily on the US, which accounted for 68% of Amazon’s global shipments and 58% of Google’s. Despite strong progress in

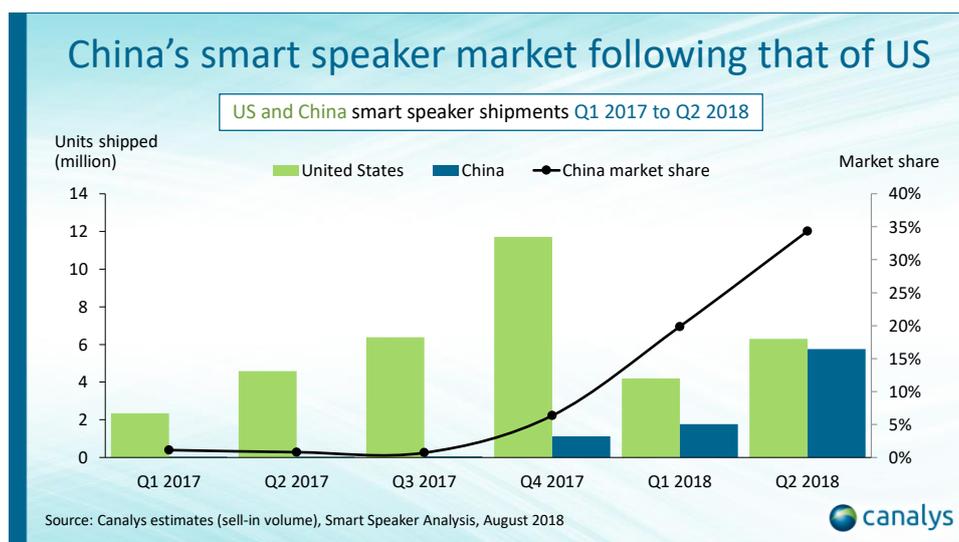
the US, China became the growth engine this quarter, contributing 52% to worldwide volume growth, against 16% from the US. Alibaba and Xiaomi ranked third and fourth overall, shipping 3.0 million and 2.0 million smart speakers respectively.

Worldwide smart speaker market Q2 2018

Rank	Vendor	Q2 2017	Q2 2018	Growth
#1	Google	16.9%	32.3%	449%
#2	amazon	82.3%	24.5%	-14%
#3	Alibaba 天猫 TMALL.COM	-	17.7%	N/A
#4	MI Xiaomi	-	12.2%	N/A
Others		0.8%	13.2%	>4,000%
Overall market		5.8 million	16.8 million	187%

Source: Canalys estimates (sell-in volume), Smart Speaker Analysis, August 2018
Note: Alibaba (Tmall) and Xiaomi had yet to enter the market in Q2 2017

Alibaba maintained a market share of over 50% in China, securing the top spot in the country with 3.0 million shipments of its Tmall Genie speakers in Q2 2018. Xiaomi has been scaling up quickly with the release of its Xiaoai Mini AI smart speaker, sparking 228% sequential growth to ship a total of 2.0 million units in the country. The top two together accounted for nearly 90% of the market. “China’s smart speaker market has quickly become a battlefield for only the big names, and it will be hard for the smaller players to catch up in terms of market share,” said Hattie He, Canalys Research Analyst. “Alibaba and Xiaomi have both relied on aggressive price cuts to create demand. Both companies have the financial backing to spend on marketing and hardware subsidies in a bid to quickly build their user bases. Although the real level of user demand for speaker products is currently unproven, China is on its way to overtake the US in the near term. The challenge remains for local vendors to increase user stickiness and generate revenue from the growing installed base of smart speaker users.”



As the worldwide smart speaker market rapidly evolves, use cases for smart speakers are extending beyond just the smart home. “Many players, including Amazon, are integrating smart speakers into verticals, such as hotels, retail, hospitals and other business establishments,” said Jason Low, Senior Analyst at Canalys. “On the other hand, vendors are experimenting with new form factors and functionalities with smart speakers. Network operators in South Korea integrated smart speakers into set-top boxes and can add new lifestyle and entertainment services on top of IPTV, powered by voice and video. Looking ahead, the focus will be on uncovering the full potential of smart assistants, a direction set by Amazon and Google and echoed by many local market leaders. We will soon enter an era where smart assistants will require a new form of hardware medium more effective than speakers to advance further.”

Smart speaker quarterly estimate and forecast data is taken from Canalys' [Smart Speaker Analysis](#) service.

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