

Smart speakers are the fastest-growing consumer tech; shipments to surpass 50 million in 2018

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The global smart speaker market is poised to grow to 56.3 million shipments in 2018, as the technology prepares itself for accelerated adoption in the consumer market. Amazon and



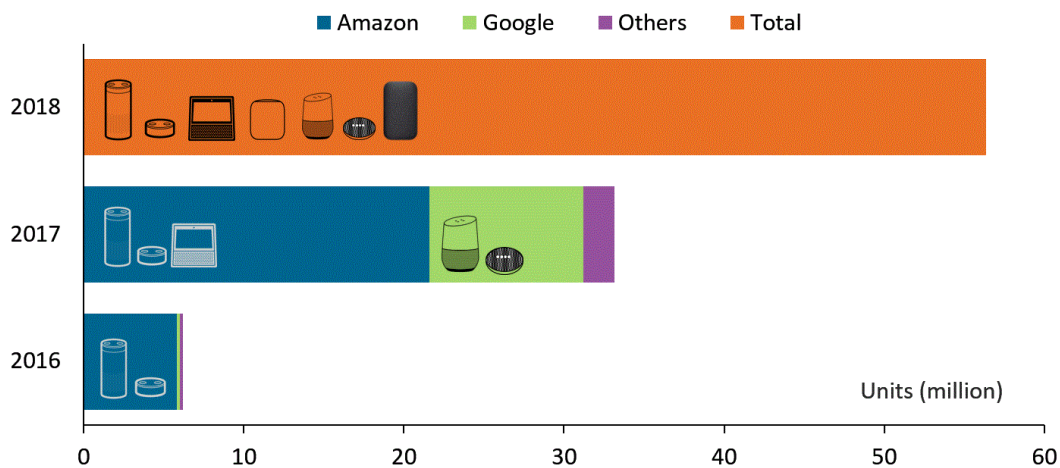
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- via @Canalys

Google are expected to remain in the lead with their Echo and Home products respectively, but will face increased competition as new vendors enter the race. The US will remain the single most important market for smart speakers in 2018, as shipments are expected to reach 38.4 million units, with China a distant second at 4.4 million units.

“2018 will be the defining year for smart speaker adoption,” said Canalys Research Analyst Lucio Chen. “Smart speaker uptake has grown faster than any other consumer technology we’ve recently encountered, such as AR, VR or even wearables. While 2017 has been a banner year for smart speakers in terms of hardware sales, especially for Google and Amazon, smart speakers in 2018 will move beyond hardware, with strategic attempts to monetize the growing installed base in the US and beyond. The possibilities to do this are endless, be it discreet advertising, content subscription bundles, premium services or enterprise solution. The technology is still in transition, and increased investments from multiple players of the ecosystem will fuel growth.”

56.3 million smart speakers to ship in 2018

Worldwide smart speaker estimates and forecasts by vendor, 2016 - 2018



Source: Canalys estimates and forecasts, Smart Speaker Analysis, December 2017

The US takes the majority share of the worldwide smart speaker market and will remain the largest market through 2020, based on Canalys forecasts. High broadband penetration, a keen proclivity to adopt new technologies and the lowering price barriers of smart speakers has accelerated adoption in the US market. “Consumer acceptance of the smart speaker has been positive overall, despite a few shortcomings,” said Canalys Analyst Vincent Thielke. “Vendors have begun offering successful upgrades to their latest models, and a key element driving this stickiness are the smart home partnerships. Alexa’s multiple smart home integrations, Google’s partnership with Nest and Apple’s HomeKit initiatives will continue to excite consumers of the smart speaker and fuel sales in 2018.”

Despite tasting success in the US and Western Europe, China will continue to elude the two smart speaker giants, Amazon and Google. The restrictions on their services will catalyze a healthy local market where vendors, such as Alibaba, JD.com and Xiaomi, have already launched smart speakers to test the waters. The market will see a huge boost in 2018 as hardware vendors, software developers, voice recognition providers and operators join the game, just in time to capitalize on the growing consumer awareness of smart home and artificial intelligence.

“Market dynamics in China can change very quickly,” said Lucio Chen. “Traditional hardware vendors have been cautious at the beginning, but with deep-pocketed Alibaba ramping up

investment in the category, and Xiaomi launching lower priced skews of its XiaoAI smart speaker, the market will be ignited in no time."

Smart speaker quarterly estimates and forecast data are taken from Canalys' Smart Speaker Analysis service.

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