

Alibaba maintains smart speaker lead in Q4 2018 in fast-growing Chinese market

Palo Alto, Shanghai, Singapore and Reading (UK) – Monday, 18 February 2018



Alibaba maintains smart speaker lead in Q4 2018 in fast-growing Chinese market - via @Canalys <https://tinyurl.com/y5vj4yu7> #Alibaba @Xiaomi #Baidu #SmartSpeakers

The fourth quarter battle between Chinese smart speaker vendors helped the market there grow by more than 665%. Canalys estimates that shipments reached 8.6 million. Nearly 40% of the year’s shipments were in Q4 as vendors took an offensive stance, aimed at maximizing sales during both the Singles’ Day and Double 12 sales events.

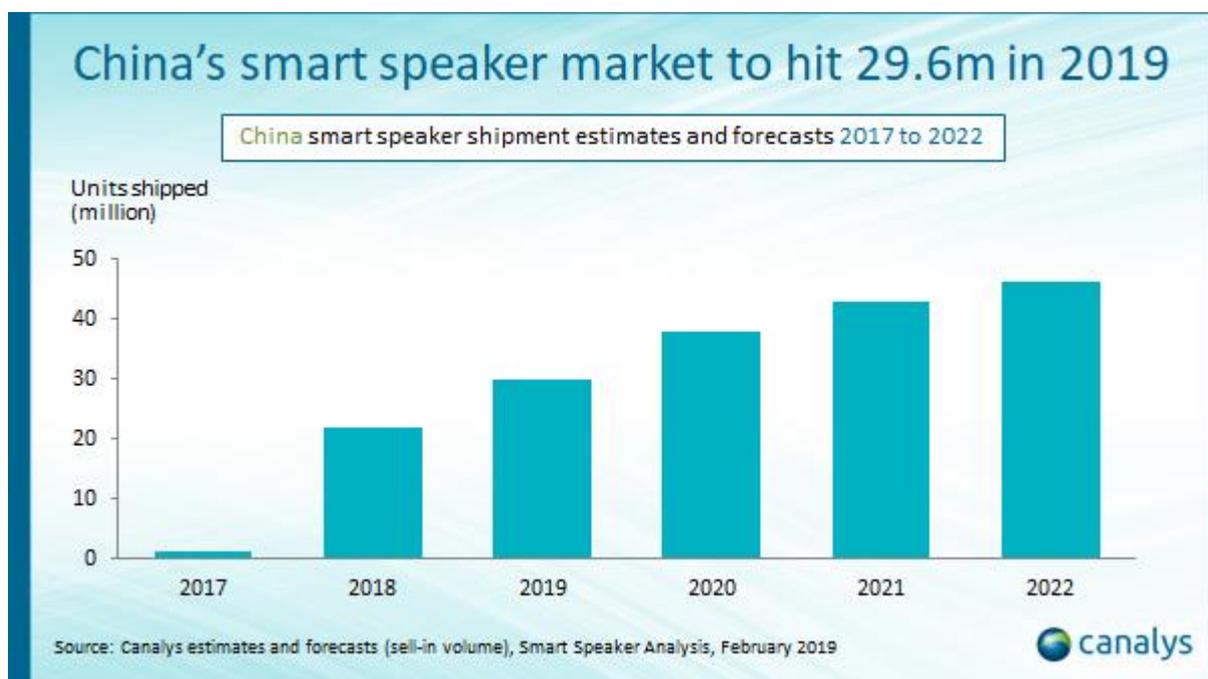
Alibaba emerged as the leader in China with 2.7 million units shipped, accounting for 31% of the market. Xiaomi and Baidu both shipped around 2.5 million units to come second and third, retaining their positions from last quarter.



“Alibaba and Baidu are locked in an aggressive price war,” said Canalys Senior Analyst Jason Low. “With its ownership of Tmall, Alibaba aggressively promoted early presale bundles and perks

locking in buyers in advance, thereby helping it to gauge overall demand early and optimize shipments to go out on time.” Canalys estimates that more than 70% of Alibaba’s shipments were fulfilled during the three-week Singles’ Day promotion period. “Baidu’s counter to Alibaba and Xiaomi came in the form of a steep discount on its Xiaodu Smart Display, now selling at CNY299 (US\$44), down from CNY599 (US\$88). The 50% price-cut boosted sell-through of the device, which substantially helped Baidu gain ground on Alibaba.” According to Canalys estimates, out of 2.5 million smart speakers shipped in China, 42% came with displays. “To overcome its channel disadvantage against Alibaba, Baidu has tapped into JD.com, Suning, Gome and also Pinduoduo, which has helped it widen its buyer demographic.”

Xiaomi came under immense pressure as its value-for-money strategy was threatened by extreme undercutting from Alibaba and Baidu. Xiaomi’s shipments grew 32% on the previous quarter, and 30 times on last year. “Despite modest 32% quarter-on-quarter growth, Xiaomi’s smart speaker business is under threat from the Internet giants in China – Baidu, Alibaba and JD.com. Its recently acquired public status has put it under much scrutiny, prohibiting the smartphone maker from discounting heavily and sacrificing hardware margin to increase market share.”



Canalys forecasts that the smart speaker market in China will grow 35%, with shipments expected to reach 29.6 million in 2019. In 2018, the market stood at 21.9 million. Key market drivers include smartphone vendors doubling down on their respective AIoT (AI and IoT) ecosystem strategies, Internet service providers developing smart assistants backed by service platform analytics, and

network operators adapting a new bundling model, surrounding smart speakers with home telephony and Internet services. “Coming up with unique partnerships and aggressive business practices to grow are strengths of Chinese companies. But they have yet to show smart assistant capabilities that can overtake Google Assistant or Amazon Alexa. Growing their smart assistant capabilities should now be the top priority,” said Low.

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

For more information, please contact:

Canalys APAC (Shanghai): +86 21 2225 2888

Jason Low: jason_low@canalys.com +86 159 2128 2971

Mo Jia: mo_jia@canalys.com +86 158 0076 4291

Canalys APAC (Singapore): +65 6671 9399

Rushabh Doshi: rushabh_doshi@canalys.com +65 6671 9387

Shengtao Jin: Shengtao_jin@canalys.com +65 6657 9384

Canalys EMEA: +44 118 984 0520

Ben Stanton: ben_stanton@canalys.com +44 782 411 4350

Kelly Wheeler: kelly_wheeler@canalys.com +44 791 956 3270

Canalys Americas: +1 650 681 4488

Vincent Thielke: vincent_thielke@canalys.com +1 650 644 9970

Marcy Ryan: marcy_ryan@canalys.com +1 650 862 4299

About Canalys

Canalys is an independent analyst company that strives to guide clients on the future of the technology industry and to think beyond the business models of the past. We deliver smart market insights to IT, channel and service provider professionals around the world. We stake our reputation on the quality of our data, our innovative use of technology and our high level of customer service.

Receiving updates

To receive media alerts directly, or for more information about our events, services or custom research and consulting capabilities, please [contact us](#).



Alternatively, you can email press@canalys.com or call +1 650 681 4488 (Palo Alto, California, USA), +65 6671 9399 (Singapore), +86 21 2225 2888 (Shanghai, China) or +44 118 984 0520 (Reading, UK).

[Please click here to unsubscribe](#)

Copyright © Canalys 2018. All rights reserved.

Americas: Suite 317, 855 El Camino Real, Palo Alto, CA 94301, US | tel: +1 650 681 4488

APAC: Room 310, Block A, No 98 Yanping Road, Jingan District, Shanghai 200042, China | tel: +86 21 2225 2888

APAC: 133 Cecil Street, Keck Seng Tower, #13-02/02A, Singapore 069535 | tel: +65 6671 9399

EMEA: Diddenham Court, Lambwood Hill, Grazeley, Reading RG7 1JQ, UK | tel: +44 118 984 0520

email: inquiry@canalys.com | web: www.canalys.com