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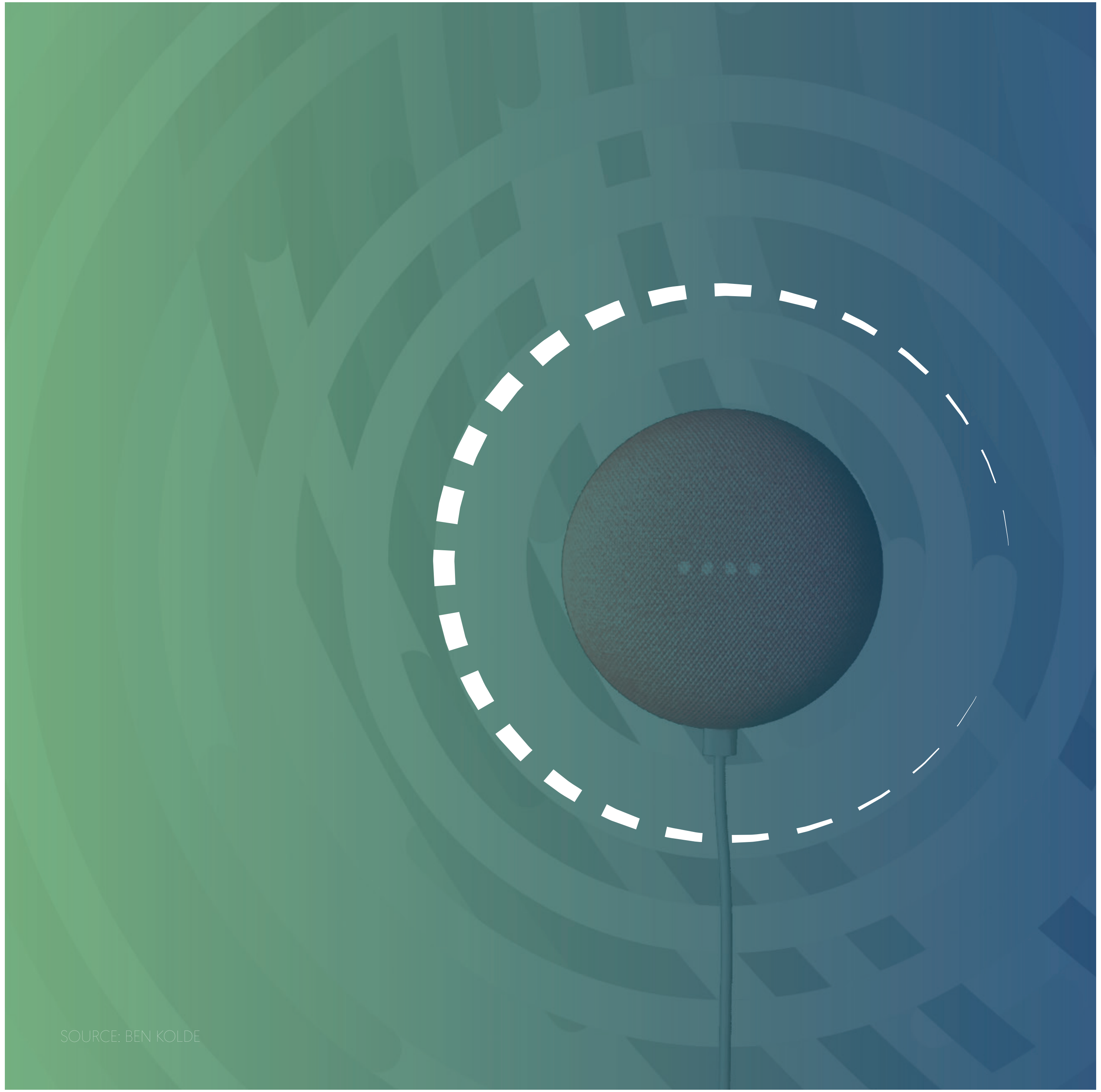
“ALEXA, CAN YOU LIVE UP TO THE HYPE?”

SOURCE: FRMORRISON



SOURCE: BEN KOLDE

Like it or not, voice assistants are here to stay and Smart Speakers are one way they are infiltrating our homes. But, do we get what we expect when we open the box for the first time? How well does the marketing hype of brand giants like Amazon, Google, and Apple live up to the reality of ownership? Recent results from Ipsos' Tech Tracker indicate there may still be work to do.

Let's look first at the basics. Before any kind of purchase decision can be made, consumers need to know that Smart Speakers exist. Maybe unsurprisingly, given the weight of advertising, awareness is increasing. More than half of GB adults claim to know about them, and this is highest amongst 15-34s [64%]. However, ownership remains low at 8%, and only 10% of non-owners claim they are likely to buy one in the next 12 months.

8% NOW OWN A SMART SPEAKER

Despite their low ownership figures, predictions for growth remain very optimistic. According to Radiocentre research, by late 2018 almost 40% of households will own a voice-controlled smart device of some kind[1] and with the full force of the marketing machines from Apple, Amazon, and Google behind them, it would be foolish to bet against Smart Speakers being anything other than a huge success.

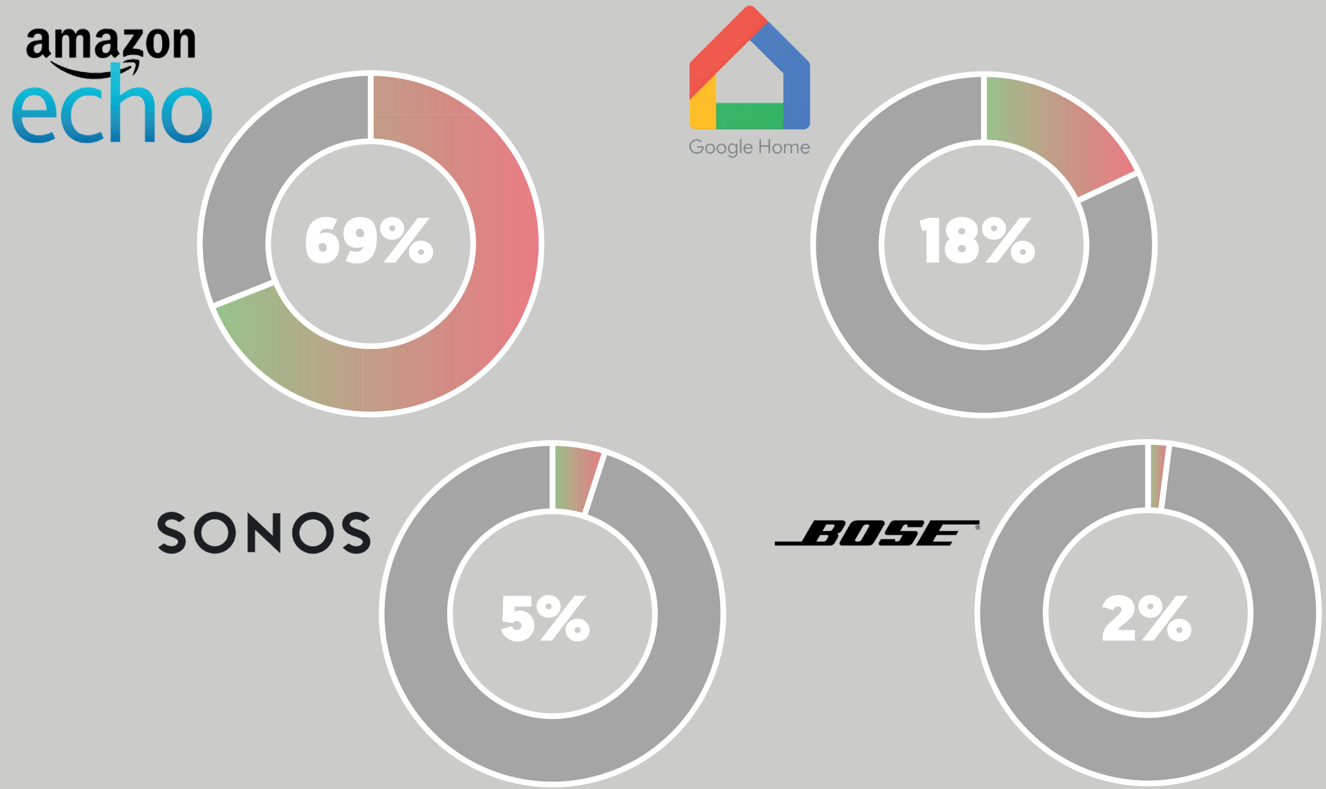
Manufacturers need to be cautious of crystal balls though; this would not be the first time there has been a disconnect between optimistic growth predictions and slow uptake. When tablets were initially released back in 2010 the penetration determined by our Tech Tracker was only around 1%. It took three years for penetration to reach 26% and 36% the following year. Current penetration is more than 50%. We've seen similar growth arcs for smartphones and eBook readers. All these devices were considered game changing at the time and were predicted to grow much quicker than they did.

[1] Radiocentre Getting Vocal research by D.fferentology, June 2017

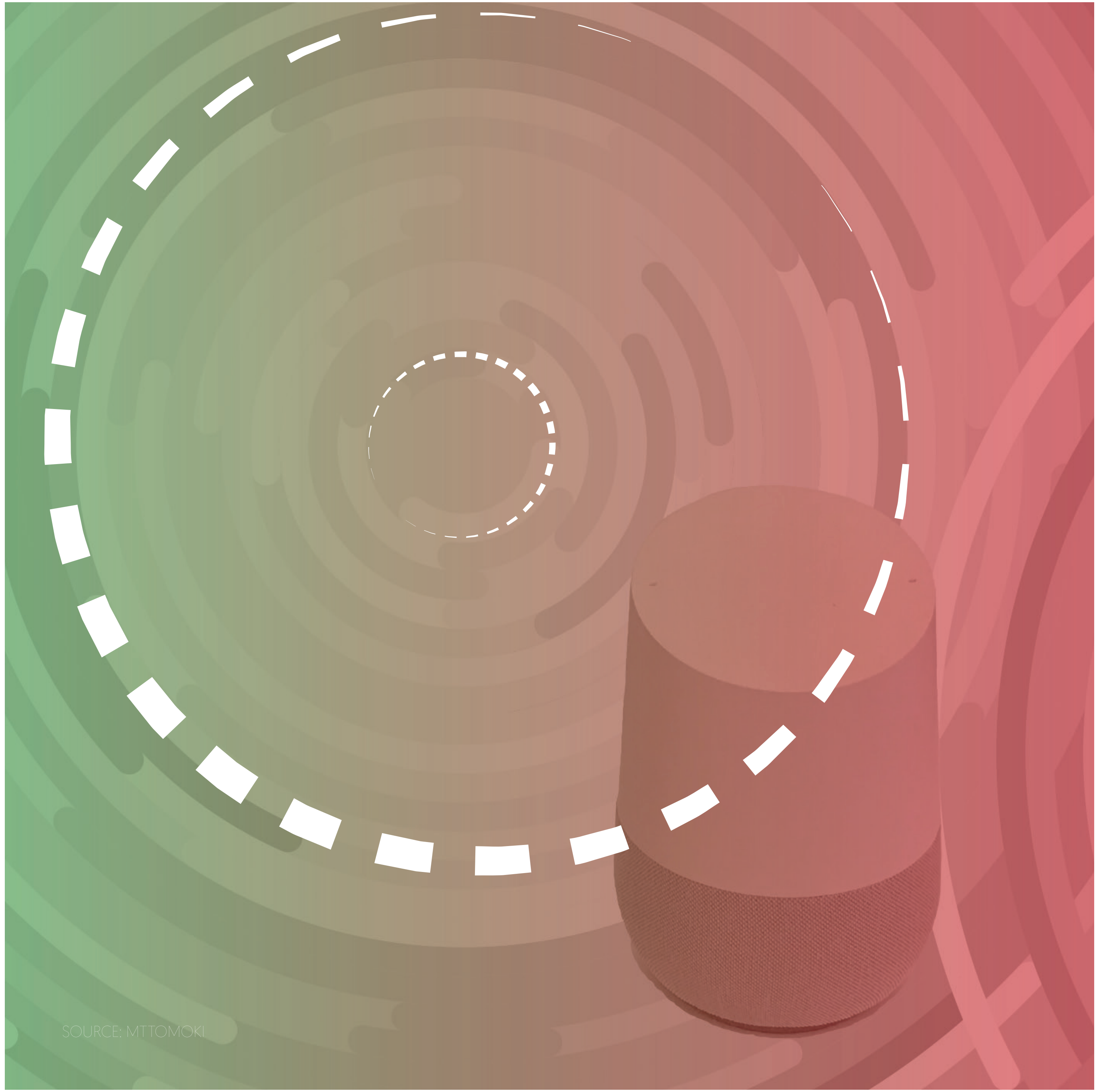
The prognosis for Smart Speaker growth is not entirely clear, when non-owners were questioned about what is preventing them from purchasing one, it seems a lack of understanding about their purpose is the primary reason. More than half claimed they simply “don’t want one”, while 12% said they just don’t understand what they are for.

A similar number also expressed concerns about speaking to a machine, and one in ten said they were worried about data security. It would seem there is still work to be done to raise awareness of the capabilities of Smart Speakers if they are to achieve significant growth.

OWNERSHIP BY BRAND



SOURCE: IPSOS MORI TECHNOLOGY TRACKER, Q4 2017 AND Q1 2018.
BASE: C.1000+ GB ADULTS 15+. FACE-TO-FACE INTERVIEWS.



SOURCE: MTTOMOKI

LANDING THE RIGHT MARKETING MESSAGE

When marketers create adverts their intention is generally to drive sales and they develop their messaging to reflect this. However, sometimes this creates a disconnect between how the marketer thinks you will use the device and how you actually use it. While there are similarities, our Tech Tracker results have highlighted several key differences between the perception of non-owners and the reality of ownership.

Much of this disconnect probably stems from the romantic, overly sophisticated picture manufacturers like Amazon and Google paint of these devices to drive sales, the reality of ownership being quite different. Whilst the Smart Speakers in adverts adeptly automate every aspect of their owner's lives, the Smart Speaker in your bedroom is more likely to be used as a simple alarm or radio. That's not because the Smart Speaker isn't capable of more, but because you might not want it to do more or you just don't know what it's capable of.

Whilst there are similarities between non-owners' perceptions and owners' realities, our Tech Tracker results have highlighted several key differences.

29% OWN MORE THAN ONE DEVICE

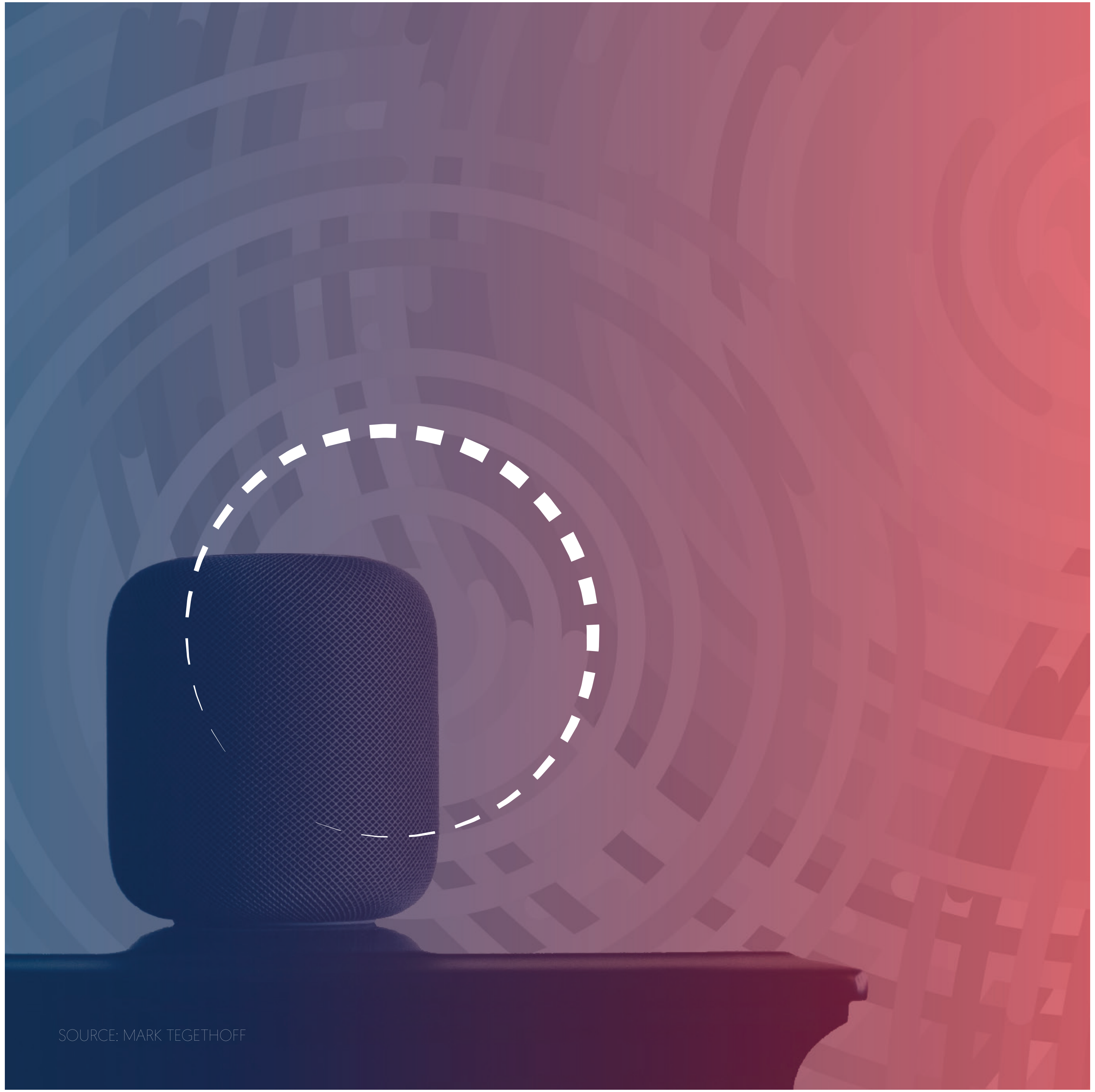
Owners mainly use these devices to: play music [with radio being one of the primary sources], get travel and weather updates, set timers/alarms, and check the latest news. Perhaps unsurprisingly, owners and non-owners agree on one thing, that listening to audio content is by far the best use for a Smart 'Speaker'. Three quarters of owners and two thirds of non-owners have, or would, listen to audio content.

The main difference here is radio, more than half of owners see radio as a core service, but non-owners only rank radio 7th on their list of possible uses. What's not clear is if this is simply a product of early adopters being heavier radio listeners. But, with a third of the owners we surveyed claiming their Smart Speaker has resulted in an increase in radio listening, our data implies Smart Speakers could have a significant impact on radio consumption. In turn, this could also be an opportunity for brands as research from Radiocentre suggests that, when weighed against 12 attributes, radio is the second most effective advertising platform.[2]

[2] Radiocentre Getting Vocal research by Dfferentology, June 2017

HAVE USED		WOULD USE
59%	Asked to play a specific song	53%
55%	Listened to the radio	39%
51%	Checked the weather forecast	52%
41%	Set a timer/alarm	52%
39%	Checked the latest news	35%
37%	Asked for help with something	42%
35%	Listen to audio	31%
25%	Received a travel update	33%
21%	Checked live sports scores	22%
20%	Played a game	9%
19%	Created a to-do list	24%
18%	Controlled a compatible TV	30%
17%	Sent smart-home requests	24%
17%	Updated or reviewed your calendar	32%
16%	Made or received calls	41%
9%	Sent or received calls	41%
9%	Made an online purchase	14%
2%	Ordered a cab/taxi	26%

SOURCE: IPSOS MORI TECHNOLOGY TRACKER, Q4 2017 AND Q1 2018.
BASE: C.1000+ GB ADULTS 15+. FACE-TO-FACE INTERVIEWS.



Another big difference is that owners are not using mobile integration, despite this being claimed as one of the main perceived benefits by non-owners. Fewer than one in five have made or received a call, and less than 10% have sent a text message via their Smart Speaker.

The biggest disparity between the perception and the reality of Smart Speaker use is for taxi ordering. More than a quarter of non-owners expected to order a taxi on their Smart Speaker, but only 2% of owners do this. Additionally, when we asked about the less tangible 'benefits' of a Smart Speaker two out of five owners thought they made their life easier, but only one in ten non-owners believed this would be the case.

Whether it's taking time for users to catch-on to the latest advances in their devices or, that services like mobile integration are simply not something owners are interested in, the challenge for advertisers is to make users aware that Alexa can do more than check the weather. As the technology develops, advertising must land the message that the device is increasingly convenient and natural language processing is driving more seamless interactions.

Whatever the reasons for these differences in perception, they demonstrate why manufacturers and brand owners need to improve their advertising message to synergise the fantasy and reality of ownership of a Smart Speaker, or risk huge disappointment from new owners when they open the box.●

SOURCE: ROBERT WETZLMAYR

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Graeme has more than 20 years' experience in media research with the last 10 being focused on Audience Measurement. He currently heads up the RAJAR contract but has been involved in TV, Press and Cinema measurement in the past

ABOUT IPSOS MORI

Ipsos, one of the world's largest and most innovative research agencies, works for a wide range of global businesses and many government departments and public bodies.

We specialise in solving a range of challenges for our clients, whether related to business, consumers, brands or society. Our areas of expertise range from brand, communication, media, innovation and healthcare research through to customer experience, corporate reputation and social and political research.

At Ipsos we are passionately curious about people, markets, brands and society. We deliver information and analysis that make our complex world easier and faster to navigate and inspire our clients to make smarter decisions.