

CRACKING THE CODE FOR VOICE COMMERCE

Barriers and Solutions to
Accelerate V-Comm Adoption

By Supriya Chabria and Mai Someya | Oct 2020



**IPSOS
VIEWS**

GAME CHANGERS



INTRODUCTION – A KEY MOMENT IN CONSUMER ADOPTION

Shopping is evolving rapidly, as we adapt to conditions created by the global pandemic and as we seek to keep up with advancing technology that can help us in our lives. **The introduction of voice assistants has opened new doors in the world of commerce, allowing us to shop using our voice alone.** Voice assistants are already a part of our lives on our smartphones, watches, headphones, speakers, refrigerators, and home hubs. Everywhere we go they are there with us, ready to assist. However, most of us lack the confidence to use them to help us shop.

Buying products or services using our voice or Voice Commerce (V-Comm) remains widely untapped, with voice assistants used mostly for low risk tasks like playing music, looking up information or checking the weather (Figure 1). But, as comfort with these simple tasks increases, so do user expectations with voice assistants. More than half of consumers (57%) in the US think that a voice assistant could make a purchase on their behalf by 2021 and more importantly, and perhaps more as we think about it's potential, people expect this to be a way of life by 2024 with 92% expecting voice assistants to help with shopping (see Figure 2 over page).¹

This represents a key moment in the consumer adoption journey – consumers are open to V-Comm but need

an offer that inspires more confidence than they have today. With the window of opportunity open, it falls upon technology companies and brand partners to push forth with the right offers before consumers lose interest. Now is the time to build confidence with this powerful tool that could revolutionize the way we shop.

For a retail brand, Voice Commerce can push competition behind the scenes as shoppers focus on a few products suggested by their voice assistant. And technology companies stand to benefit from brand partnerships while achieving higher user engagement on their platforms. They have tried similar strategies and failed. Remember the Amazon Dash Button? It was designed to be stuck around the home and pressed to reorder specific products on Amazon, in the moment. Amazon discontinued the Dash button in March 2019² suggesting voice-activated shopping would supersede the buttons. And yet a survey six months later showed only 15% users in the US claimed to buy or order something using their voice assistant.³

In this paper, we explore the barriers to adoption for V-Comm and demonstrate how consumer-centric solutions can help overcome these challenges, allowing companies to activate its full potential.

Figure 1 Top tasks with voice assistants in the US and UK



Play music



Look up information online



Check weather



Set timer/alarms

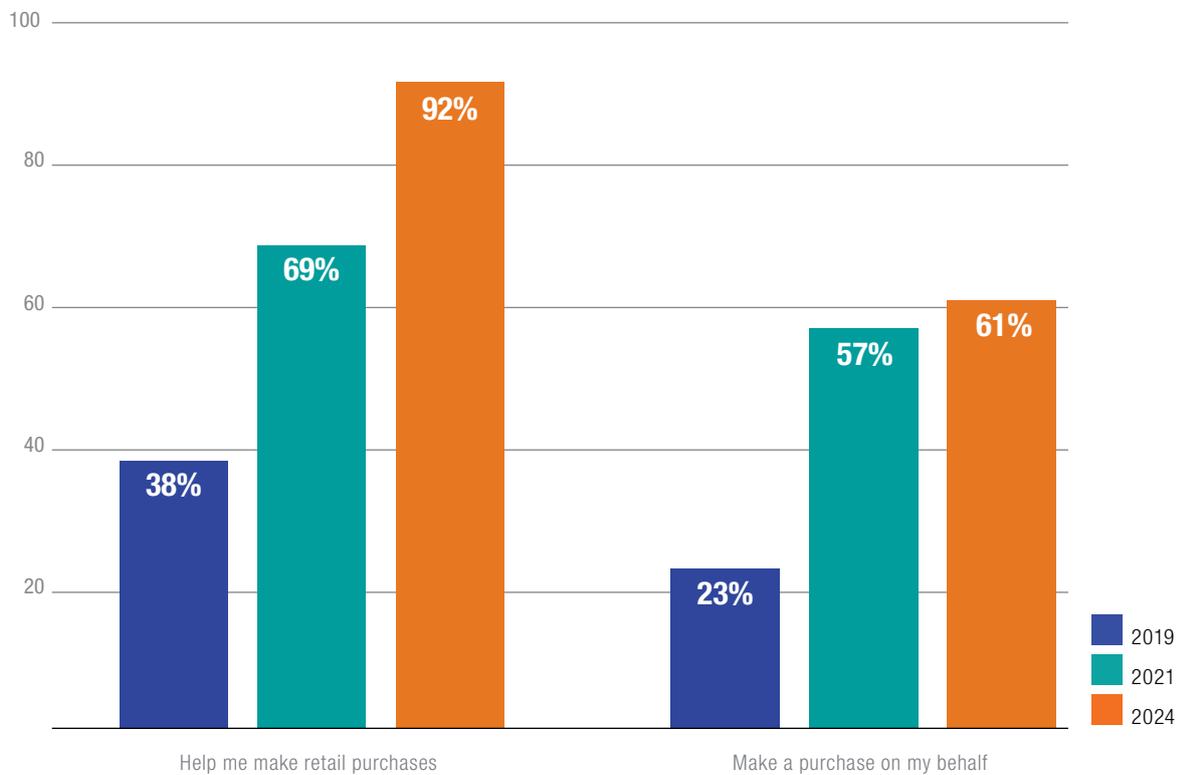
Source: Ipsos MORI Technology Tracker, Q1 2019



Figure 2 People expect V-Comm to be a way of life

[Q] Thinking about how digital assistants can enhance your shopping experience, which of the following do you think a digital assistant can do to assist you today?

U.S. consumer opinion on how digital assistants enhance shopping 2019



Source: <https://www.statista.com/study/60607/voice-commerce-in-the-united-states/>



BARRIERS TO ADOPTION

Through its Vantis framework, Ipsos has been testing tech-led innovations for 35+ years and have the world's largest database in this space. We have studied consumer adoption to uncover what we believe are the three key principles that motivate people to change behavior:

Enhance my life: Simplify a process that is loaded with friction to make it easy and seamless, so I can focus on my priorities – usually family, health and well-being.

Do it for me: Solve a problem or meet a need all the way i.e. provide solutions, not just content.

Make me confident: Allow me to see every step of the process from the point I place an order until it arrives on my doorstep, inspiring confidence.

Leveraging these principles, we found that there are distinctive similarities between the Amazon Dash Button and V-Comm. The sheer nature of these offers allows them to deliver strongly on the first two principles. And both face the same hurdle - make me confident. But, unlike the Amazon Dash Button, voice assistants with their advanced features have the potential to crack the code on building consumer confidence. In order to gain a deeper understanding of the issue and to identify potential solutions, we partnered with the 2nd Annual Master of Behavior and Decision Sciences Design Challenge at the University of Pennsylvania. The students identified several psychological underpinnings to the lack of confidence with V-Comm. A quantitative survey confirmed the following barriers:





THE ENDOWMENT EFFECT

People are more likely to purchase an item when they feel ownership over it than when ownership is lacking

BARRIER 1:

The Invisible Gap – Placing a product in your cart (physical or virtual) is underpinned by the endowment effect, a feeling of ownership. Shopping with voice lacks this visual cue and creates distance between the user and the product (or the invisible gap), which lowers confidence in the purchase. Technology companies have understood the importance of visual cues and introduced screen enabled devices like Facebook Portal, Google Nest Hub and Amazon Echo Show 8. However, we already have voice assistants on our smartphones with screens and V-Comm usage remains low. This indicates there is no tangible benefit to V-Comm when combined with a screen. We would simply default to ordering products as we do today via eCommerce.



BUYER'S REMORSE

A naturally occurring feeling of disappointment or guilt that happens after a purchase, due to the impulsivity or making a purchase with seemingly insufficient information or deliberation.

BARRIER 2:

Context – We contextualize decisions by comparing options – prices, design, brands, sizes etc., which allows us to reduce the possibility of buyer's remorse and feel confident about the purchase. Receiving a recommendation from the voice assistant takes away the ability to compare, limiting our options and thus confidence.



ALGORITHM AVERSION

We become averse to using an algorithm or a device once it makes a mistake. Even if it makes a smaller or more infrequent mistake than a person will.

BARRIER 3:

Errors – We have all felt the frustration of being misunderstood by a voice assistant. Errors create an aversion to using an algorithm or a device, even if it improves with usage. With the involvement of money in a V-Comm transaction, the aversion is stronger.

Again, technology companies are aware that the user experience with voice assistants is not optimal. And users have yet to see a substantial improvement. Instead, there seems to be a focus on expanding possible uses. In the following section we provide potential solutions to the identified barriers. While the invisible gap and need for context can be solved with specific offers, errors require algorithm improvements which rely on development efforts.

Another common concern with all tech-enabled innovation, not just voice assistants, is privacy. Our experience and results of the tests in the following section show that a strong user benefit outweighs the risk in consumers' minds. Many successful innovations have won consumers over this way. Think of how much we still use social media despite the focus in media about the risks with personal information.

“People expect V-Comm to be a way of life by 2024 with 92% expecting voice assistants to help with shopping”



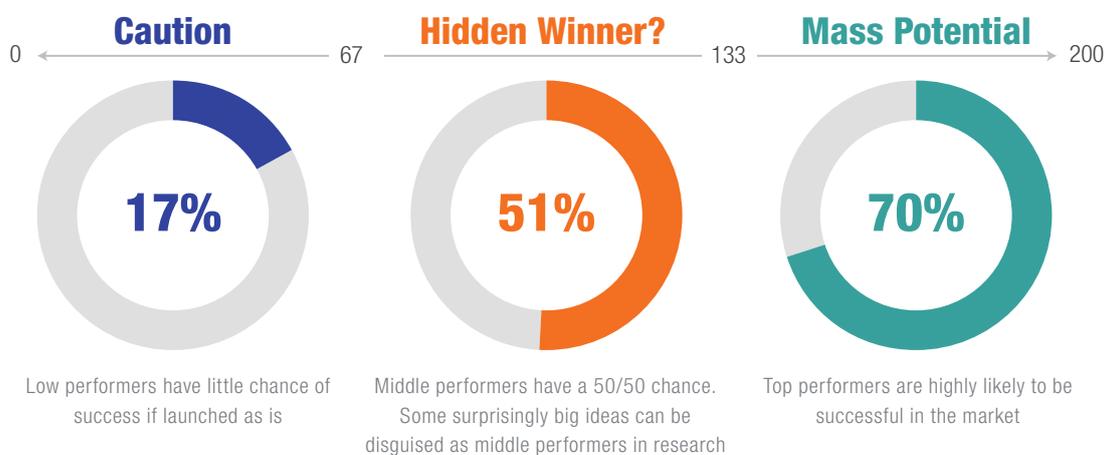
SOLUTIONS TO ACCELERATE ADOPTION

In order to assess consumer acceptance of V-Comm with barriers addressed, we imagined new ways it could come to life for users. We created hypothetical offers aimed at minimizing the impact of the psychological underpinnings. The offers were tested with consumers through Vantis 2.0, a concept testing solution designed specifically for technology, durables and services. The survey responses to key measures were compared to our database of 220+ relevant digital innovations including voice recognition tools. One output of this exercise is the Market Success Score (MSS),

an aggregated demand measure with a high correlation to in-market success. An MSS score of 133+ indicates a high probability of success in the market (see Figure 3).

70% of concepts with a high MSS are successful when they launch. Some now popular offers that achieved this before they succeed in-market include Google Chrome browser, Gmail, Hulu (video on demand), Spotify, and Nest Learning Thermostat. With an MSS score between 67 and 133, the probability of success reduces to 51%. But it is still possible with the right marketing strategy, as observed with Amazon Kindle, Fitbit activity tracker, Apple iPad and Bose Bluetooth headset.

Figure 3 Market Success Score



Source: Vantis Database, Ipsos

SOLUTION 1: BRIDGE THE INVISIBLE GAP WITH STRONG CONSUMER BENEFITS

Based on our experience with testing over 39,000 concepts, **we know that people need to see a strong benefit in order to adopt any innovation. Convenience alone is not enough.** The Amazon Dash Button was built for convenience, yet it failed and V-Comm could be on the same path. Consumers need to feel that 'V-Comm is on their side' and working for them. This may take the form of competitive prices or personalized predictive offers. For example, if the voice assistant tracks and notifies a price drop it could alleviate the need for tracking or compulsively checking for notifications. To validate this, we tested it as a concept (see Figure 4⁴) which achieved an MSS of 162, a very strong performance. This confirms that with a strong benefit, consumers are willing to adopt V-Comm.

This offer provides users confidence – it leverages algorithms to save users money, an extremely strong benefit. Focusing on a saved product removes the need for additional context since the user would have pre-selected the product and also reduces possibilities of error.

Integration across various tools such as calendars, emails and other apps can further fuel smart recommendations, creating opportunities for V-Comm. With this in mind, we imagined the possibility of the assistant foreseeing product needs based on a user query and offering to make a purchase. The results were surprisingly positive with an MSS of 131 (see Figure 5). While not an outright winner, the results indicate a willingness to try the solution.

Expanding the willingness to try into wide adoption will require accuracy of predicting consumer needs and offering the right product at the right moment.

Both the offers discussed above are designed to bring consumers closer to the product by bridging the invisible gap with strong consumer benefits. These benefits create confidence for users regarding their decisions, representing a new way to fulfill the Endowment Effect - a feeling of control or ownership over their choices despite the absence of visual cues.

Figure 4 Saved Item (Price Drop) Concept

Alexa can you let me know when there's a price drop with saved items in your wish list.



YOU: More details

Alexa: Your Bose Soundlink Wireless II Headphones in your wish list are on sale from \$160 to \$120. Would you like to order?

YOU: Does it come in the colour black?

Alexa: Yes that's in stock

YOU: Okay, order me the headphones

Alexa: Order placed, it will be delivered in the next 3 days



Figure 5 Smart recommendations Concept⁷

Alexa can now integrate with other apps to help make your life easier.

YOU: What's the weather in Yosemite next weekend?

Alexa: Yosemite will have a high of 65 and low of 43 this weekend. I noticed you have a 'camping trip' planned for next weekend. Would you like to order some bug repellent in time for this camping trip?

YOU: Sure

Alexa: REPEL Plant-based Lemon Eucalyptus Insect Repellant Pump Spray-4 ounce has almost 12,000 review and is 4 stars. The price is \$4.97. Would you like to order this one?

YOU: Yes, buy two of those

Alexa: You got it! Ordering two REPEL Plant-based Lemon Eucalyptus Insect Repellant Pump Sprays, it will be delivered by Wednesday August 5



SOLUTION 2: CONTEXTUALIZE THE TRANSACTION

Replicating the context from eCommerce in a voice only interface is clearly not feasible. Hearing hours of information about competitive offers will drown any benefits of using voice. The solution is to offer simple V-Comm purchases that benefit from familiarity. A replenishment purchase is the lowest hanging fruit and one companies already offer. Providing contextual information in these transactions, such as reiterating that the brand, size and price are the same as the last purchase, is critical to improve user confidence. Voice assistants benefit from the ability to provide this added context during the interaction, unlike the Amazon Dash Button, which could only send cues post-purchase. Again, our results for the hypothetical offer indicate strong acceptance with a Market Success Score of 145 (see Figure 6).

Without the benefit of a previous purchase (as in the replenishment scenario), the need for context is much higher. This is where tech companies can lean on user ratings and reviews to help build confidence. Consumers increasingly rely on ratings and reviews in order to avoid Buyer's Remorse and our results indicate that these can also serve the purpose of contextualizing the decision in a V-Comm transaction. While not everyone is willing to make the leap for such purchases, there is a sub-set of consumers who are very committed to using the service (see Figure 7).

Buying or replenishing common household items may not create the strong user benefits proposed in our first solution. These serve as stepping stones in building confidence. In our research, 50% indicated they are comfortable using V-Comm for common household goods, followed by 37% for pantry staples and 36% food or beverage.⁵ Successful voice assistant trial for low-involvement products will be key in gaining trust, giving users confidence to attempt more complex purchases as they will be a step closer to an adopted behavior.

Figure 6 Replenishment Concept

Now you can order Tide pods through Alexa. If you have ever placed an order for Tide pods on Amazon, Alexa will simply repeat your last order.

YOU: Alexa, order me Tide pods

Alexa: Sure, your last order was Tide Free and Gentle Laundry Detergent Pods, 81 count. Do you want the same one?

YOU: Yes, that sounds good

Alexa: OK, the price is the same as last time, \$19.99. Shall I place the order?

YOU: Yes

Alexa: Order placed, it will be delivered by Wednesday July 8



Figure 7 Common household Purchase

Now you can order common household items through Alexa. Ran out of toilet paper? Dish soap? Trashbags? Let Alexa suggest the best product and take care of it for you.

YOU: Alexa, order me some dish soap

Alexa: Sure, you haven't ordered dish soap through Amazon yet. The most popular item is the Palmolive Ultra Dish Soap. It's a 32.5 oz bottle with 4 in a pack for \$11.92. Do you want to hear more options?

YOU: No, but how many stars and review does it have?

Alexa: It has 5 stars with 1,892 reviews.

YOU: Ok, place an order for that dish soap

Alexa: Order placed, it will be delivered by Wednesday July 8



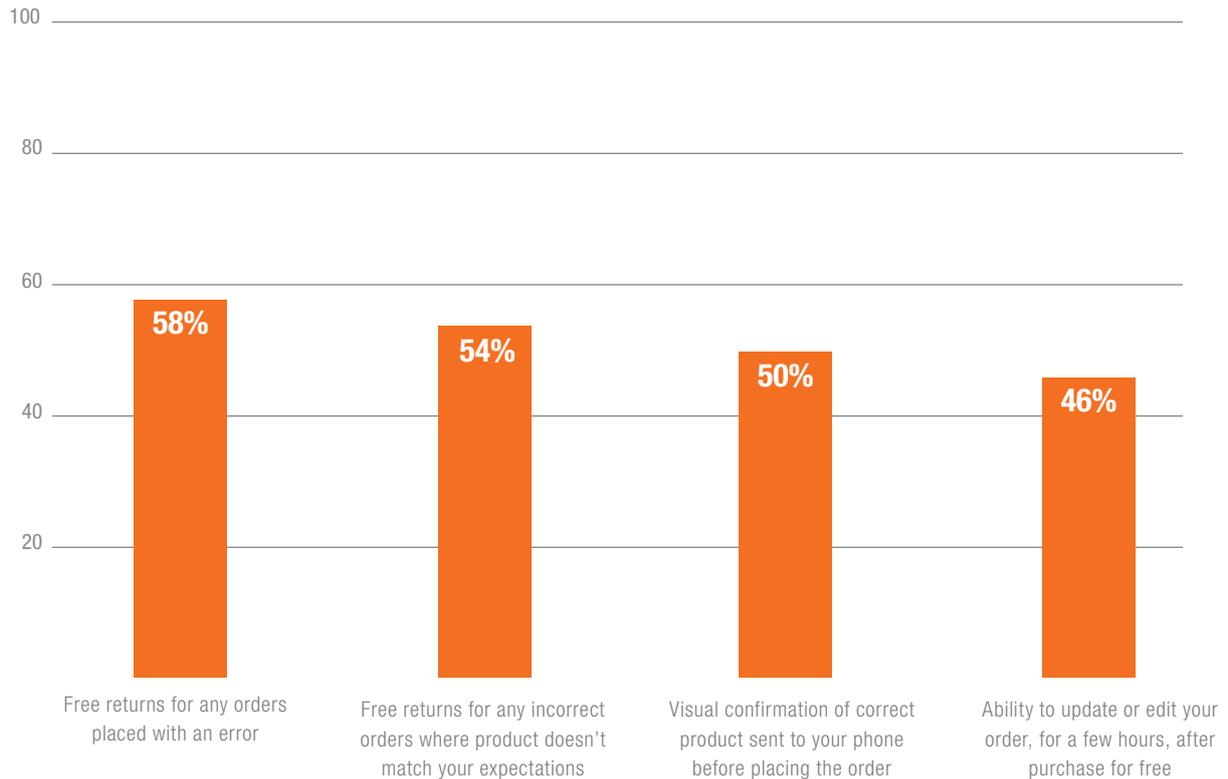
Source: Vantis Database, Ipsos (Figure 4,5,6,7)

Post-purchase cues such as email order confirmations or app notifications are also important as they allow users to engage their visual senses, further boosting confidence. Consumers

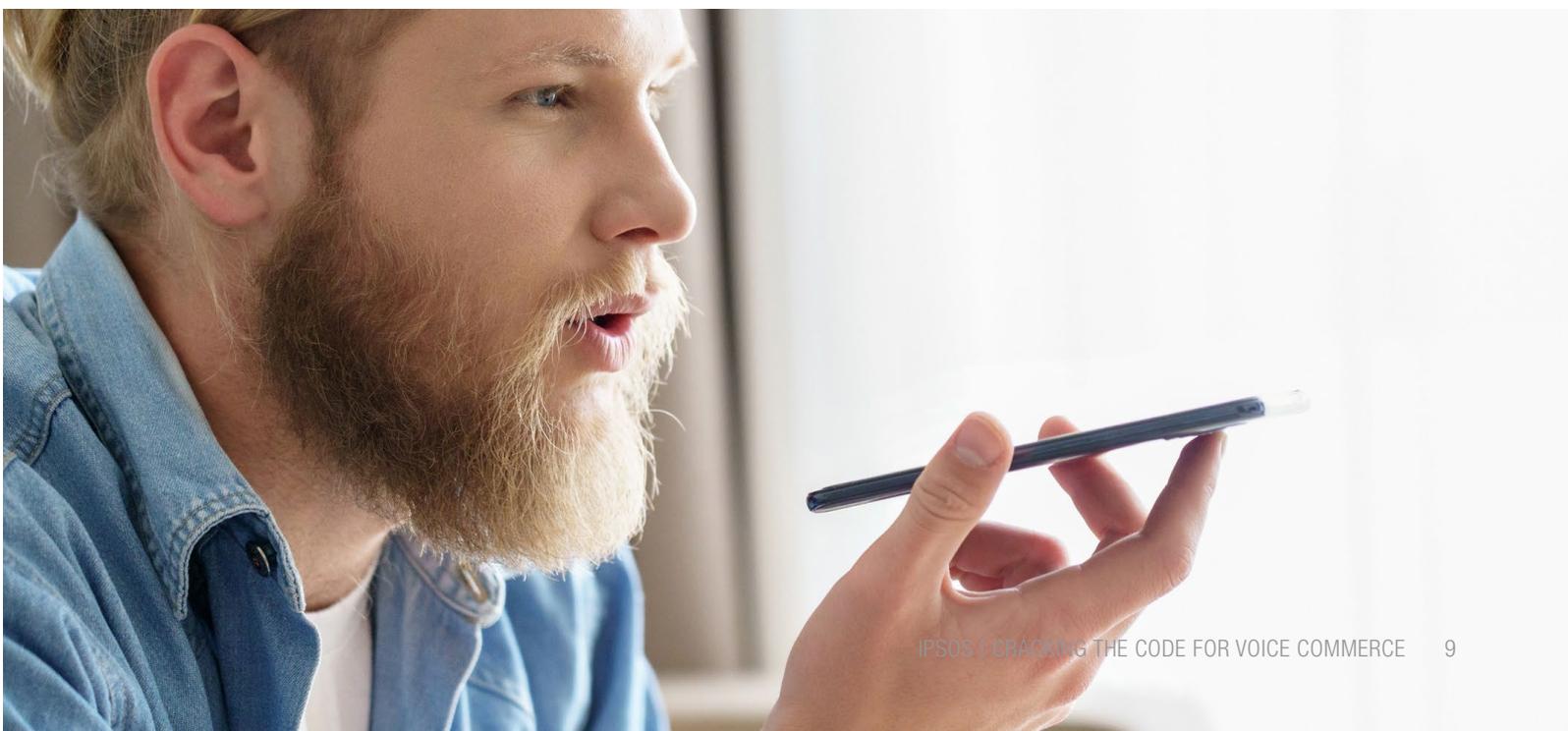
also expect safety nets such as free returns on errors or free updates to an order after purchase (see Figure 8).

Figure 8 Consumers expect there to be safety nets in case of errors in purchasing

[Q] What additional steps do you think you'd want Alexa (or any other voice assistant) to take to make you feel comfortable making a purchase with your voice?



Source: Ipsos US Study⁶



FINAL THOUGHTS

Consumers expect V-Comm to be a way of life and are willing to try offers that allow them to feel confident as evidenced by the strong MSS scores in our test. Being consumer centric results in higher overall acceptance - our solutions achieved an average of +9% over current usage of V-Comm (see Figure 9). Anything that saves money is especially appealing, while anything that slips into current routines

without demanding more work from users such as repeat items or smart recommendations show strong acceptance. With the Amazon Dash Button, there was only one button for convenience, whereas voice assistants can provide customized and human interactions. This added exchange resonates with consumers, as reflected in these scores.

Figure 9 Change in acceptance over current usage

[Q] How likely are you to purchase an item through your digital assistant using voice only?

Average	Saved Item (Price Drop) Concept	Smart Recommendations	Replenishment Concept	Common Household Purchase Concept
+9%	+14%	+8%	+9%	+4%

Source: Ipsos US Study⁶

With these results and our experience with innovation, we offer a few key pieces of advice:

Keep consumers front and center. **Technology driven innovation can be disruptive and successful if it helps enhance people’s lives, offers a solution (not just data) and provides confidence in the entire process.** Technology advancements can often take over the innovation pipeline and dilute the focus on consumers. Invest in understanding your users and the behavioral biases that may underly their decisions. Understand the ‘must-haves’ or entry requirements and create solutions geared towards overcoming the identified barriers. And just building it isn’t enough – users need to be aware, understand and connect with the offer. Voice assistants are

called “assistants” for a reason since they are naturally built to enhance consumers’ lives and do things for them. **But the human element needed for successful adoption is confidence.** To build this:

- 1. Bring consumers closer to the offer by providing strong benefits that fulfill the Endowment Effect – not just convenience.**
- 2. Leverage available data to provide context – building confidence and reducing the possibility of Buyer’s Remorse.**
- 3. Focus efforts and investment towards enhancing algorithms and providing an error-free experience.**

REFERENCES

1. Statista: Voice Commerce in the United States
2. Mintel: Voice Assistants and Skills - US - December 2019, Ipsos MORI Technology Tracker, Q1 2019
3. <https://www.bbc.com/news/technology-47416440>
4. Mintel: Voice Assistants and Skills - US - December 2019
5. Respondents were shown offers with Alexa as an example but were prompted to think about the voice assistant they most preferred.
6. Ipsos US study: August 2020 among 600 adults 18-65 who own a voice assistant compatible device

CRACKING THE CODE FOR VOICE COMMERCE

Barriers and Solutions to Accelerate V-Comm Adoption

SUPRIYA CHABRIA

Global Lead Digital Innovation, Ipsos

MAI SOMEYA

Senior Account Manager, Ipsos

**In collaboration with the students of the
2nd Annual Master of Behavior and Decision
Sciences Design Challenge at the University of
Pennsylvania:** Robert Bulford, Sara Sermarini,
Fiona Yang, Dillon Myers, Jessica Miller, Nyaknno
Owodiong-Idemeko

The **Ipsos Views** white
papers are produced by the
Ipsos Knowledge Centre.

www.ipsos.com
[@Ipsos](https://twitter.com/Ipsos)

GAME CHANGERS

