

# Media alert: Smart speaker installed base to hit 100 million by end of 2018

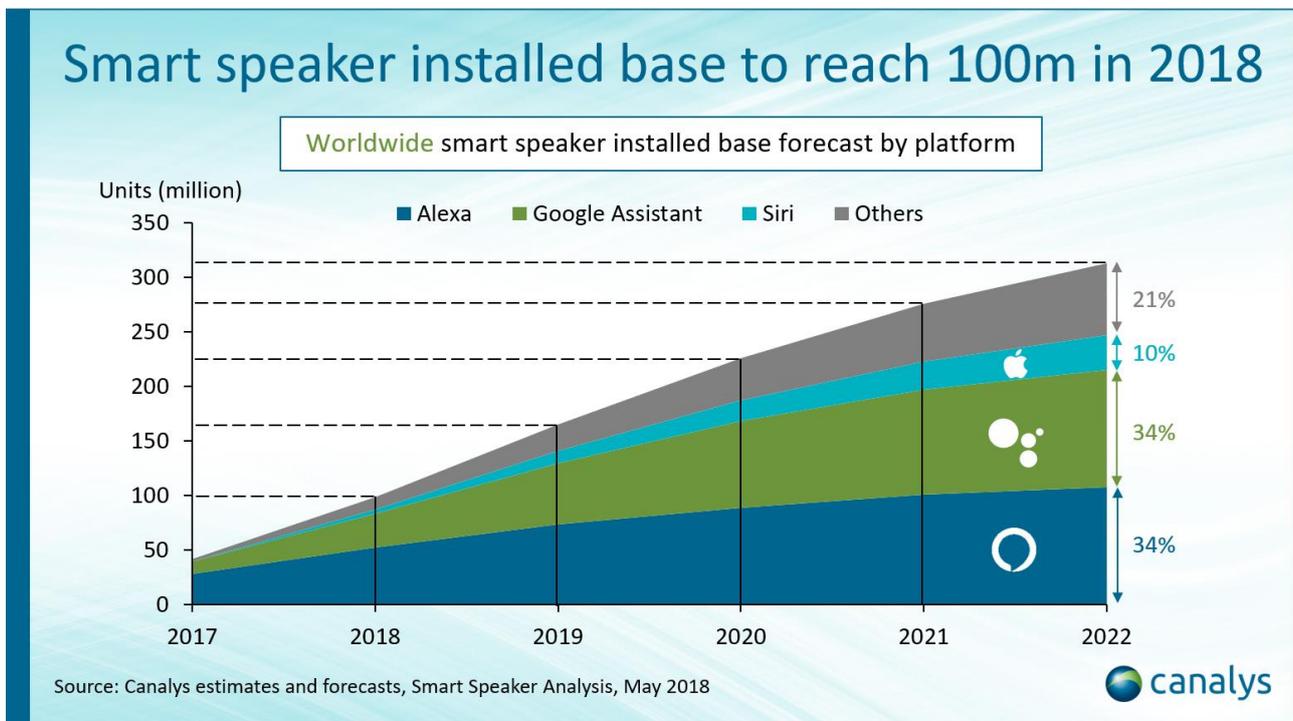
Palo Alto, Shanghai, Singapore and Reading (UK) – Monday, 9 July 2018

Canalys expects the smart speaker installed base will approach the 100-million barrier by the end of this year, making it almost 2.5 times bigger than at the end of 2017. The installed base



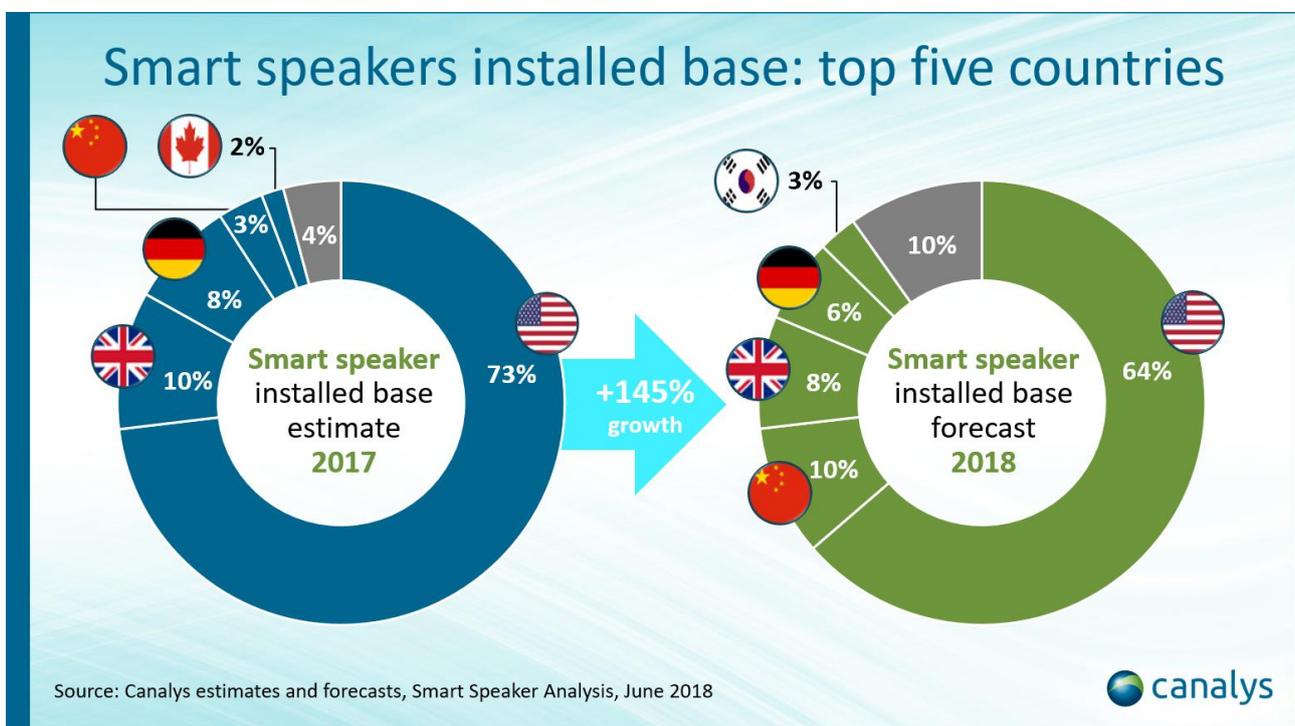
[Smart speaker installed base to hit 100 million by end of 2018 - via @Canalys](https://ctt.ec/oX6D7+)  
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will keep growing, more than doubling in size to reach 225 million units by 2020. Amazon Echo devices will account for over 50% of the installed base in 2018, while Google’s Home series will account for 30%. Apple’s HomePod models will trail, accounting for a meager 4% of the 2018 base.



“The US is the world leader in smart speaker adoption,” said Canalys Research Analyst Vincent Thielke. “Amazon and Google know the power of an ecosystem lock-in and have been engaged in

a fierce price war to try and build the largest installed base. As Amazon’s Prime Day looms, customers expect discounts, and the company is set for a rush of shipments. But smart speakers are nothing new in the US, in fact, they have been cheap and easily available for years. Amazon and Google will now take their devices beyond the smart home and deploy them in a range of new scenarios. Their business development teams are targeting commercial opportunities, such as hotels, offices, gyms and airports, with initiatives such as Amazon’s Alexa for Business and Alexa for Hospitality. These deployments are a major opportunity for the IT channel to develop solutions and provide technical skills and services that customers may lack.”



“China is still a nascent market for smart speakers, but it is a sleeping giant,” said Canalys Research Analyst Hattie He. “Local players, such as Alibaba and Xiaomi, are investing heavily. In the second half of 2018, sales promotions will be an important driver, as vendors anticipate a surge of shipments during the 6.18 Shopping Festival and Singles Day in November. As competition intensifies, Chinese vendors will expand their product portfolios to hit more price points and offer a greater range of capabilities. But for long-term growth in China, a more complete voice service and better user engagement are just as important. China has massive potential, with more than 450 million households, over three times the number in the US.”

“The rapid growth of the smart speaker installed base is itself a growth driver,” said Canalys Analyst Ben Stanton. “Amazon and Google are desperate to prove the scale and reach of their platforms to

developers. As the Amazon Alexa and Google Assistant speaker installed bases grow, the companies can make a more compelling case. And as developers invest in voice and try to cash-in on the creation of new experiences, smart speaker adoption will grow. The battle for developers' attention is vital for Google and Amazon. It will determine the speed at which they can appeal to new demographics, move into new industry verticals and gain traction in new countries.”

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