

Amazon reclaims top spot in smart speaker market in Q3 2018

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Amazon reclaims top spot in smart speaker market in Q3 2018 - via @Canalys <https://tinyurl.com/ya4lv9d3>

Worldwide smart speaker shipments grew 137% year on year in Q3 2018 to reach 19.7 million units, up from 8.3 million in Q3 2017, and well in line with Canalys' forecast of 75 million for the whole of 2018. Riding on the success of its Prime Day, Amazon shipped 6.3 million Echo smart speakers in Q3, reclaiming the top spot after two quarters of playing second fiddle to

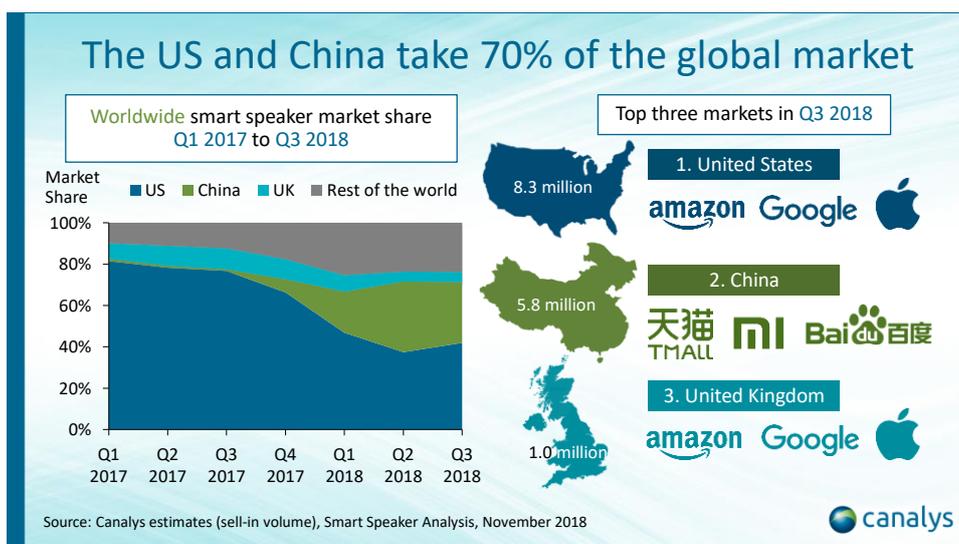
Google. This quarter, Google shipped 5.9 million units, putting it just behind Amazon. It made pre-emptive strikes by lowering prices of its Home speakers in anticipation of Prime Day, but the shopping festival proved highly beneficial to Amazon. The fight for dominance between Amazon and Google not only helped the US grow 30%, but also influenced other key markets, such as the UK, Canada and Australia. China, the world's second largest smart speaker market, saw Baidu enter the market in Q3, and threaten to break the duopoly held by Alibaba and Xiaomi. [Canalys previously reported](#) that the Chinese market grew nearly 100 times to 5.8 million units. Alibaba retained its global ranking by shipping 2.2 million of its Tmall Genie speakers and came third overall. The UK overtook South Korea to become the third largest smart speaker market in Q3 with shipments reaching 1.0 million.

Worldwide smart speaker market Q3 2018

Rank	Vendor	Q3 2017	Q3 2018	Growth
#1	amazon	74.7%	31.9%	1.3%
#2	Google	24.6%	29.8%	187%
#3	Alibaba 天猫 TMALL.COM	0.1%	11.1%	>200 times
#4	MI Xiaomi	0.1%	9.7%	>300 times
Others		0.5%	17.4%	>70 times
Overall market		8.3 million	19.7 million	137.0%

Source: Canalys estimates (sell-in volume), Smart Speaker Analysis, November 2018

With the initial wave of smart speaker adoption ending in most markets, vendors are rapidly changing their strategies to target different user groups. “College and university students are key consumers of music streaming services – low-hanging fruit that both Amazon and Google picked with back-to-school deals to encourage adoption of smart speakers in dorm rooms,” said Canalys Research Analyst Vincent Thielke. Both Amazon and Google have also introduced new devices with improved features in time for the fast-approaching holiday season. “To encourage adoption, vendors are also constantly building on the theme of home automation and IoT, to position smart speakers as central hubs. But they still face a key issue in lowering barriers to adoption, especially with compatible systems that need expert installation.”



The rising tension between the US and China has vendors on their toes, wary of sanctions affecting the fastest-growing consumer technology market. Commenting on the impact of the trade war on the smart speaker market, Senior Analyst Jason Low said, “The uncertainties brought by the rising trade tensions have forced international vendors to increase production to ensure a healthy sell-in, not only for the holidays, but also for early 2019. This bodes well for Chinese device manufacturers but could trigger an unexpected slowdown in shipment growth in 2019, as vendors clear out inventory.”

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

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