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NEW MEDIA INSIGHTS FOR LOCAL ADVERTISERS

IT SPEAKS...IT ENTERTAINS...IT SPENDS YOUR MONEY!

Robots aren't taking control by marching into our homes and workplaces and pushing us aside; they have a more insidious plan – slowly gaining our trust with small, incremental steps. Although computers may have been the start of their strategy, it's our willingness to bring smart speakers into homes that has given them more leverage.

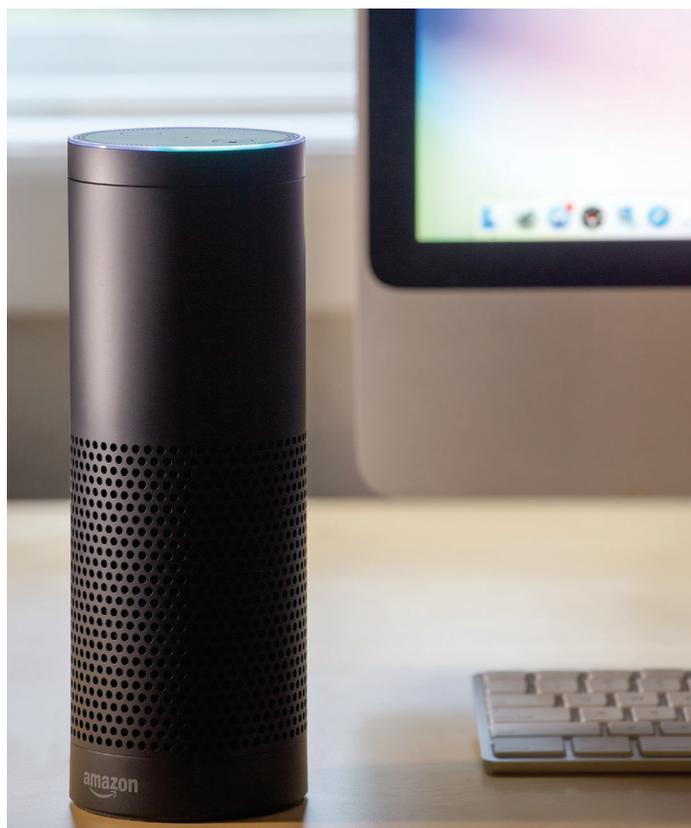
The Amazon Echo (and its cousins, Dot, Show and Look), Google Home and Apple HomePod appear to be unassuming devices, but they are very likely to become our primary sources of information and access to the wider world – (and they're already here!).

NPR/Edison Research's The Smart Audio Report (2017) revealed that the ownership numbers are still relatively low (for persons 12+): Amazon Alexa (Echo or Dot), 5%, and Google Home, 2%. Apple's HomePod with the voice of Siri will become available during December 2017, but will cost considerably more, at \$349, compared to Echo's \$179.99 and Home's \$109.

Without explaining too many of the details, the HomePod's \$349 price tag may be warranted since it has 7 tweeters and a 4-inch woofer. Plus, two of the speakers can be paired for stereo.

Amazon's advantage (other than being first from the gate) is that NPR/Edison's survey found that 82% of smart speaker owners subscribe to Amazon Prime – and those are the consumers who spend more on Amazon, and more often.

Primary Location of Smart Speaker, 2017	
LOCATION	PERCENT
Living space (family room/living room/den)	52%
Kitchen	24%
Master bedroom	12%
Another bedroom	5%
Another location	7%
<i>NPR/Edison Research, April 2017</i>	



The insidious nature of our future robot overlords is revealed in what consumers also told NPR/Edison Research.

- » 45% plan to purchase another smart speaker.
- » 47% are using their smart speaker more often than they did during the first month of ownership.
- » 42% said their smart speakers were essential to their everyday lives.
- » 65% wouldn't want to return to a life without a smart speaker.
- » Worst of all, 88% said that children in their household enjoy Alexa.

(The robots are coming for our children; it's time to sharpen the pitchforks and light the torches!)

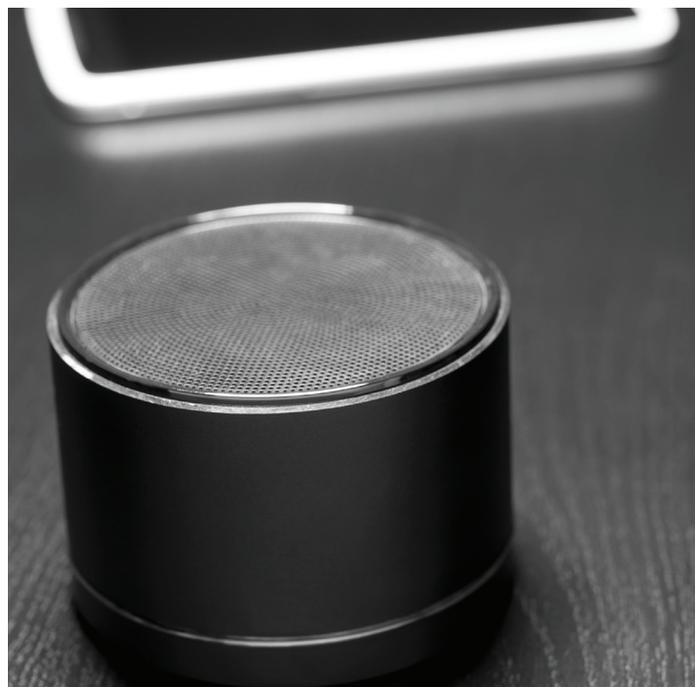


CONSUMERS ARE STILL IN CHARGE

We were having some fun on page 1 of this New Media Insights Reports, as it is unlikely there is any robot conspiracy in the works (but who actually knows). In fact, consumers have very good reasons for purchasing a smart speaker.

Reasons Why Smart Speaker Owners Wanted to Purchase One, 2017	
REASON	PERCENT
Listen to music	90%
Ask questions without typing	87%
It seems like a fun, new gadget	86%
Listen to news and information	77%
Control audio with your voice	71%
To make it easier to do things	69%
Quality of sound	65%
Set alarms	63%
Listen to better music than on AM/FM radio	62%
Discover new songs	53%
Control smart home devices	48%
Listen to talk radio/sports talk	44%
Listen to podcasts	40%
Replace old stereo	39%
Entertain children	36%
Help disability	16%
Help elderly	12%

NPR/Edison Research, 2017



A smart speaker is not yet the device owners use the most to listen to audio content; it's third, at 18%, to smartphone/tablet, at 28%, and AM/FM radio, at 20%. Despite the stationary use of a smart speaker, 94% of owners are listening to Internet streaming sources and 57% have an Internet audio service.

The major challenge for current and future Amazon Echo owners, for example, is that as of Q2 2017, it had "acquired" 15,000 different third-party skills, a 50% increase from Q1 2017. No wonder, 72% of respondents to the NPR/Edison Research survey said that didn't know enough about their smart speaker to use all its features.

It is quite evident, according to the NPR/Edison Research report, that smart speakers' popularity is only increasing, as 13% of respondents said they were very likely and 41% somewhat likely to purchase one during the next six months.

How smart-speaker technology will affect and/or benefit local retailers still remains to be determined, but it's quite easy to envision one or more third-party developer creating an app/skill that would allow consumers to order products and services from local businesses just as they are able to do today from Amazon.

