



Smart Speakers in Canada—an Update

January 2019





Introduction

Purpose

- To update smart speaker adoption and use in Canada following the 2018 holiday season.

Study Details

- Online survey of a nationally representative sample of 1,512 Canadian adults on Maru Voice Canada.
- Survey dates: January 21-22nd, 2019.
- Supplementary data in this report is provided from:
 - Audience Insights Inc./Radio Connects' *Radio on the Move* surveys in Fall 2018 and Summer 2018 ; and
 - *The Canadian Podcast Listener Study 2018* in June 2018 (conducted in partnership with Ulster Media).



Summary

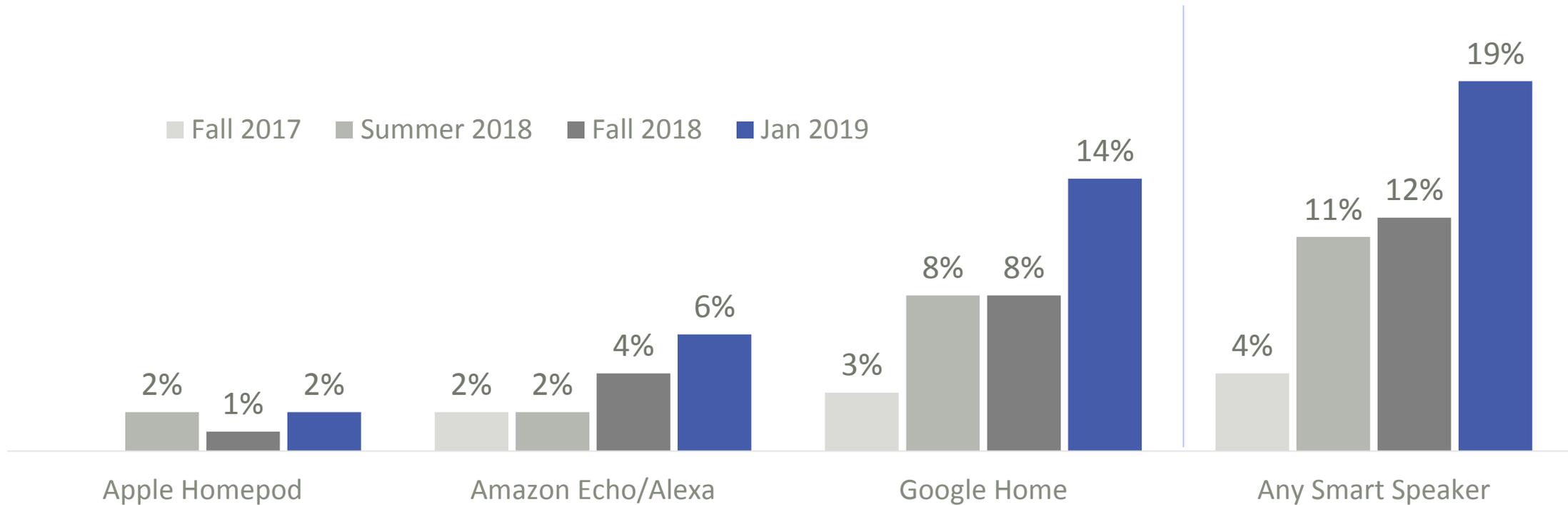
Smart speakers show the potential to turn the last decade's focus on 'screen time' on its head as Canada continues to catch up to the U.S. in smart speaker penetration.

- Only one and a half years after Google sold the first smart speaker in Canada, nearly one-in-five adults (19%) now report having a smart speaker.
- Thanks to its first-in position, Google continues to be the dominant smart speaker platform in Canada—unlike the U.S. where Amazon is the market leader.
- Heavy marketing of the budget-priced Google Mini and Amazon Echo Dot speakers during the holidays has helped to fuel the latest growth spurt in adoption, with these compact speakers being among the most popular gifts of the holiday season.
- Smart speaker owners are listening to audio on their smart speakers, with nearly 2/3s saying they listened to music streaming services and nearly half listening to AM/FM in the past week.
- As more Canadians own smart speakers, the number of devices per household is increasing. More than a third of smart speaker owners now have two or more speakers in their home.
- The rate of future growth may in large part depend on how effectively speaker manufacturers address privacy issues. Most Canadians say they are unlikely to buy a smart speaker in the next six months, many of whom express deep privacy concerns about having a speaker in their home.



Nearly one-in-five Canadian adults now have a smart speaker in the home.

In a little over a year, smart speaker penetration in Canada has gone from 4% to 19%. Unlike the U.S., Google was first-to-market in Canada and maintains a solid lead over Alexa. The Apple HomePod has yet to make an impact, despite 31%* of Canadian adults using an iPhone as their primary mobile device.



* Canadians 18+, Radio on the Move, Fall 2018 (n=3,505)

F17. Which of the following would best describe your experience with the Amazon Echo and Google Home Amazon Echo /"Alexa", Google Home and Apple HomePod "smart" speakers?
Base: Canadians 18+ (n=1,512), January 2019 / *Canadians 18+, Radio on the Move, Fall 2018 (n=3,505)

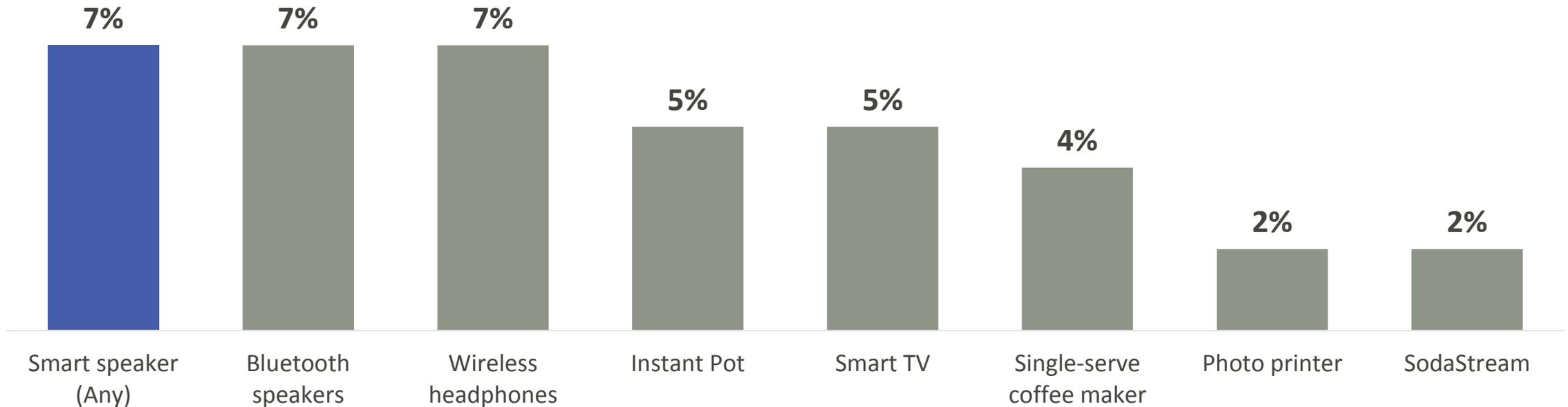




Smart speakers—and other audio devices—were popular holiday gifts this year.

Both Google and Amazon heavily promoted their smart speaker offerings over the 2018 holiday season. Among a list of other items widely promoted during the Christmas season, smart speakers, Bluetooth speakers and wireless headphones emerged among the most popular.

Which, if any, of the following did you receive as a gift over the holidays?

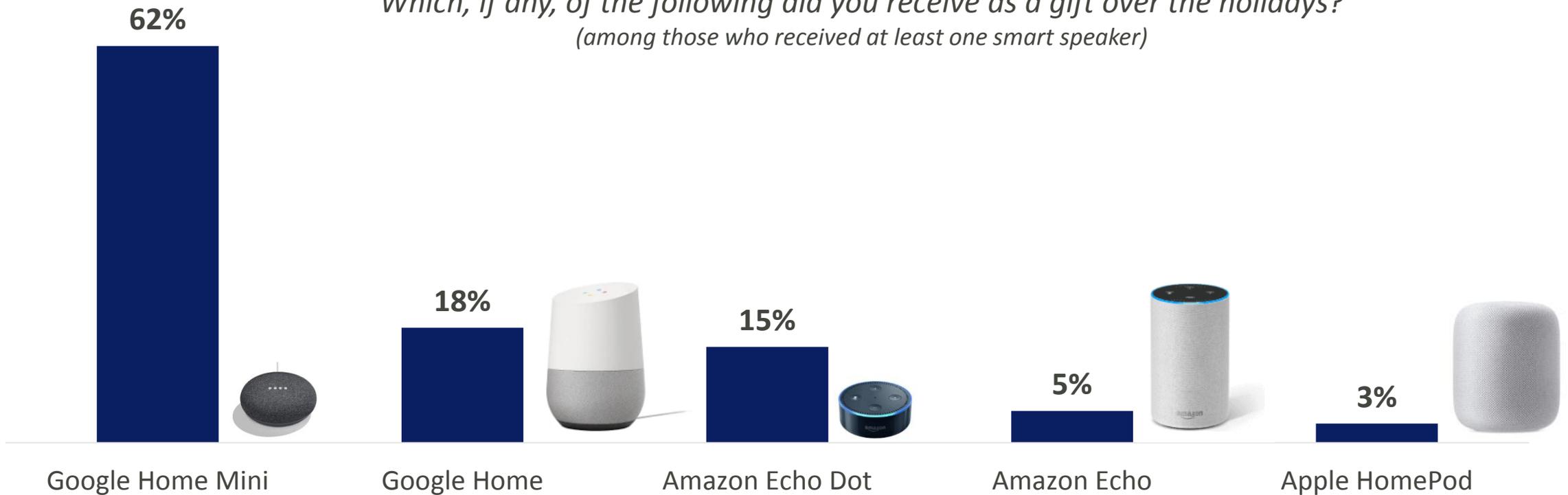




Google was tops for holiday gifting, with compact speakers most likely to be gifted.

Google maintained its lead in the Canadian smart speaker landscape with Google-brand speakers being, by far, the most commonly received smart speaker gift. The low price points for the Google Mini and Amazon Echo Dot speakers clearly fueled gift-giving with these mini options being three times as likely to be received as a gift.

*Which, if any, of the following did you receive as a gift over the holidays?
(among those who received at least one smart speaker)*

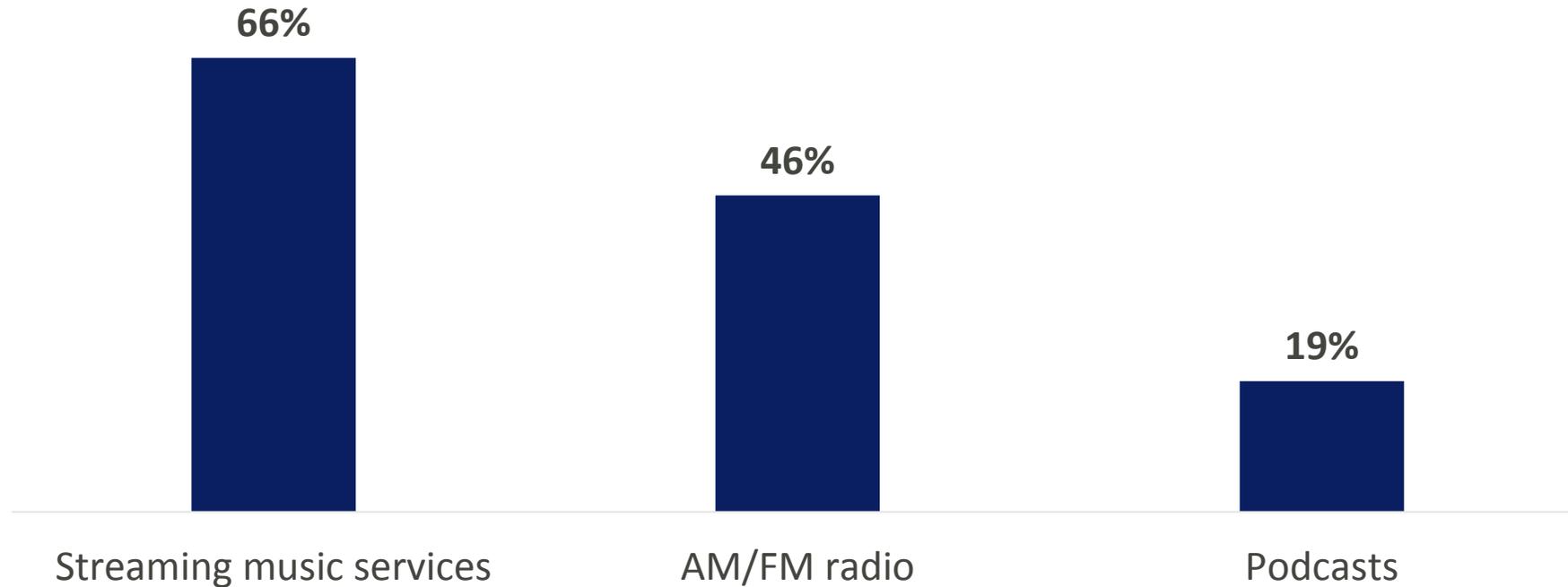




Music streaming and AM/FM radio are widely listened to by smart speaker owners.

Two-thirds of smart speaker owners reported using their speaker for streaming music services in the past week, and nearly half listening to AM/FM radio during the same period. Podcast listening is lower, due primarily to the smaller universe* of podcast listeners.

% of Smart Speaker Owners Listening to Each Type of Audio on their Speaker(s) in the Past Week



* A total of 26% of Canadian adults listen to podcasts monthly in *The Canadian Podcast Listener 2018* (n=3,118 Canadian adults, May 2018)

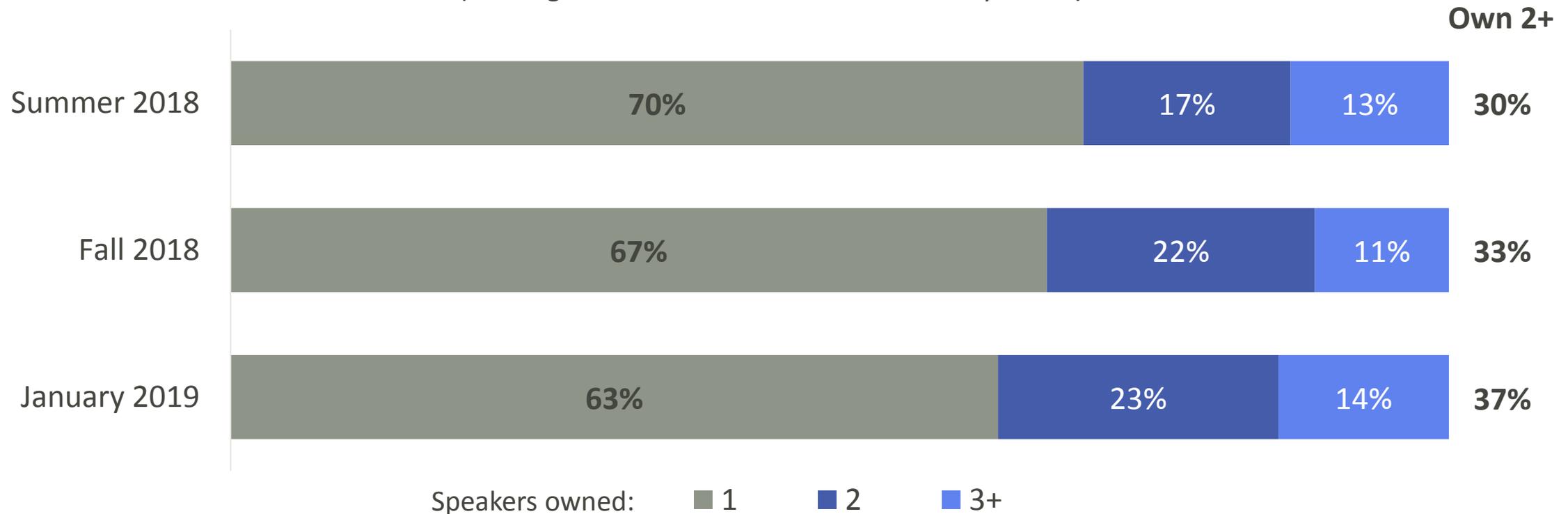
Q5a. When was the most recent time, if ever, that you listened to the following types of audio ON YOUR SMART SPEAKER? A streaming music service (e.g., Spotify, Amazon Music Unlimited, Apple Music); AM/FM radio; podcasts
Base: Canadians 18+ with a smart speaker in the home (n=288)



The number of speakers in smart speaker households is increasing.

More than a third of smart speaker owners now have more than one speaker, while more than one-in-ten have *three* or more.

*In total, how many of these “smart” speakers do you have in your home?
(among those with at least one smart speaker)*

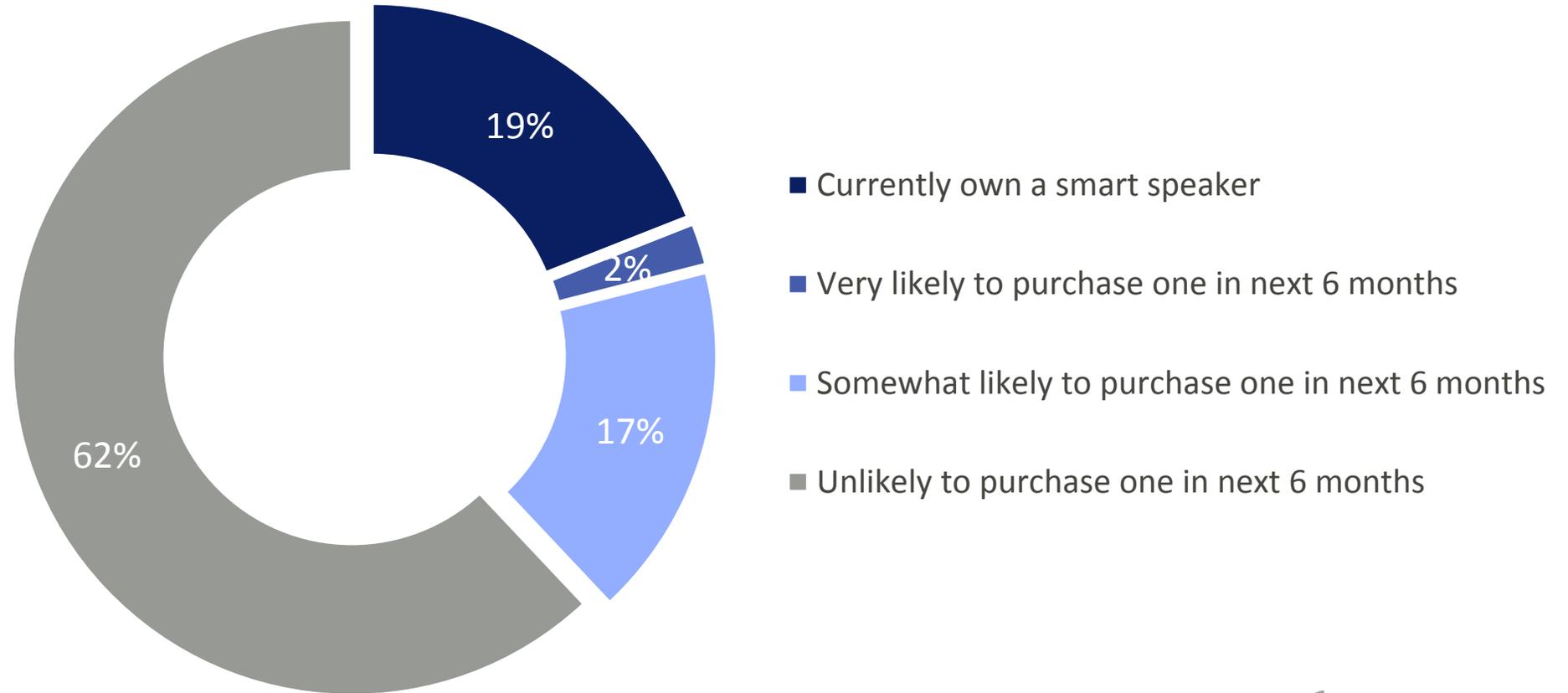


In total, how many of these “smart” speakers do you have in your home?
Base: Canadians 18+ with a smart speaker in the home (n=288); Fall 2018 (n=417); Summer 2018 (n=203)



Smart speaker penetration will likely remain less than one-third in the near future.

Most Canadians say they are unlikely to buy a smart speaker in the next six months. While 19% of Canadian adults currently own a smart speaker, just 2% say they are “very” likely to buy one in the next six months with another 17% being “somewhat” likely to buy one.



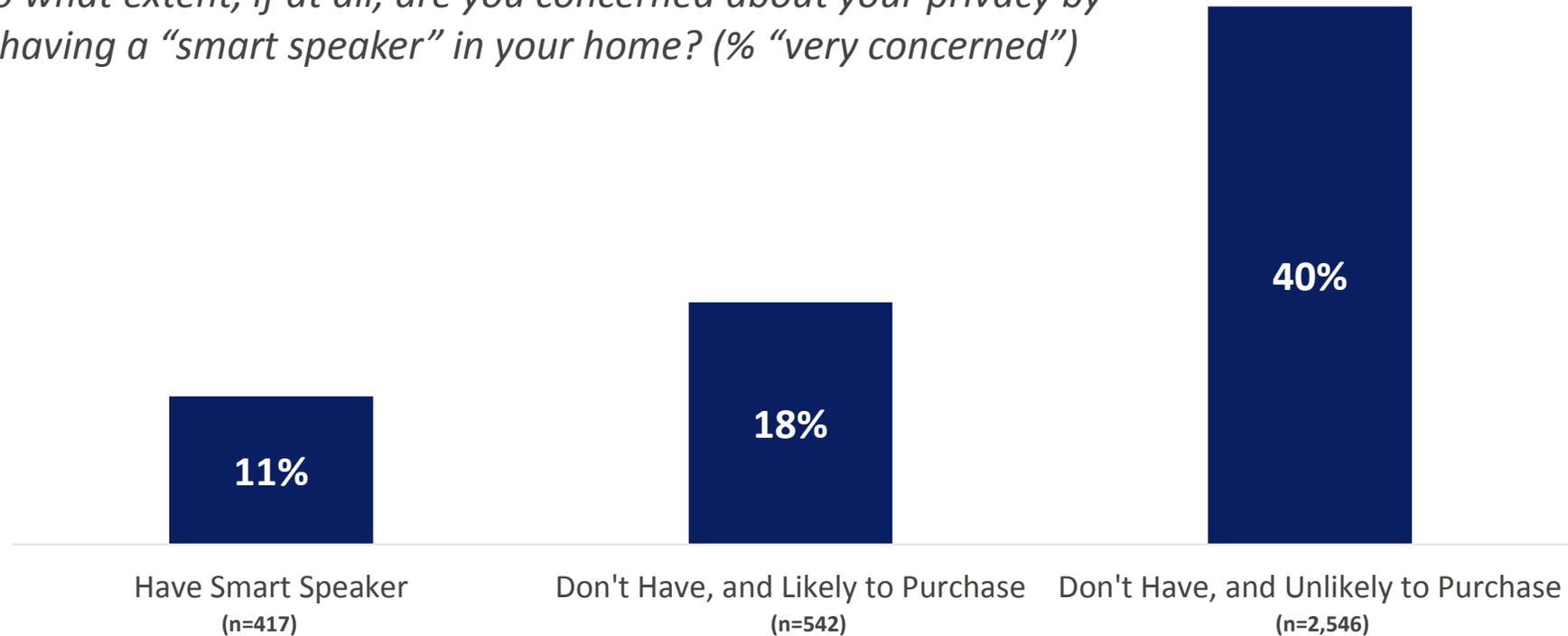
Q2. How likely are you to buy one of these devices, or others like them, within the next 6 months?
Base: Canadians 18+ (1,512) who do not own a smart speaker (n=1,224), January 2019



Privacy concerns represent a barrier to adoption.

Fall 2018's *Radio on the Move* study asked Canadians how concerned they were about privacy with regards to smart speakers. Four-in-ten non-owners who were unlikely to buy a smart speaker in the next six months said they were very concerned about their privacy having a smart speaker in the home.

To what extent, if at all, are you concerned about your privacy by having a "smart speaker" in your home? (% "very concerned")





Questions?

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