

Voice shopping seen as new frontier

Hey, Google, order a large pizza! Alexa, I need vitamins!

Voice shopping using smart speakers and smartphone apps is starting to gain traction among consumers, opening up a new "conversational commerce" channel and potentially disrupting the retail sector.

Devices such as Amazon's Alexa-powered speakers and Google Home, which use artificial intelligence to respond to voice commands, are offering new choices to consumers who are looking for more convenient ways to order goods and services.

Voice shopping is expected to jump to \$40 billion annually in 2022 in the United States, from \$2 billion today, according to a survey this year by OC&C Strategy Consultants.

"People are liking the convenience and natural interaction of using voice," said Victoria Petrock of the research firm eMarketer.

"Computing in general is moving more toward voice interface because the technology is more affordable, and people are responding well because they don't have to type."

A recent eMarketer survey found 36 percent of U.S. consumers liked the idea of using a home-based assistant like Amazon Echo for making a purchase.

Amazon's devices, which hit the market in 2015, were designed in large part to help boost sales, and Google Home was launched a year later.

The use of smart speakers has expanded the possibilities available through smartphone chatbots or text-based systems including those from Facebook and Apple.

"This is growing exponentially," said Mark Taylor, an executive vice president at consultancy Capgemini and co-author of a study on conversational commerce.

"We're getting very used to asking Alexa or Google to do something on our behalf, which makes it simple to switch and say, 'Hey Alexa, buy me dog food.'"

Capgemini research shows many consumers are satisfied with voice interactions and that this is growing for search and information as well as for purchases and that this is likely to become a "dominant" mode of consumer action within a few years.

"It's becoming part of the fabric of our lives," Taylor said.

The most commonly shopped categories through voice are groceries, entertainment, electronics and clothing, according to OC&C.

For now, Taylor said, most voice-based purchases have been "low consideration goods" such as items consumers have purchased before.

But as people grow comfortable with voice assistants Taylor sees a potential for growth in "higher consideration" items including insurance or financial services.

An important element will be the tonality and personality established by intelligent assistants that will help companies establish an image or brand.

"People like to talk to human beings because humans give insight and guidance, and AI can do the same thing," he said.

The "conversational interface" is a tremendous advantage in some situations, said Manlio Carrelli, executive vice president at LivePerson, which provides technology for firms in online platforms.

"This is like 'Star Trek,'" Carrelli told AFP. "I can just say what I want and get it. Consumers don't care what's on the back end, they just want to be able to get what they want."

Carrelli said these systems are important not only for sales, but for customer service -- reducing the need for dreaded call centers and saving millions for businesses.

"We're now entering the mainstream for this market," Carrelli said. "I don't think you'll find a single major brand that isn't looking at this."

Walmart last month launched a text-based concierge shopping service called Jetblack which uses both artificial intelligence and professional assistants offering buying suggestions as part of its effort to compete with Amazon.

But Walmart is one of dozens of retailers offering voice-based shopping through Google Express as well, along with sellers of flowers, hardware, groceries and other goods.

Domino's Pizza has embraced this technology, allowing orders through Amazon Alexa, Google Home, Facebook Messenger and other platforms.

In France, Google Home devices can be used to shop at the giant retailer group Carrefour. And retailers in China have been partnering with tech firms for similar services.

According to OC&C, Amazon Echo speakers are used in around 10 percent of U.S. homes, with four percent for Google Home.

According to the report Apple is lagging in this sector because its Siri assistant lacks the AI capabilities of Google, and the new HomePod has only just hit the market.

Apple just this year rolled out "business chat," enabling consumers to ask questions and place orders through iPhone text or voice commands, and see images of products on the iMessage service. Retailers Lowe's and Home Depot are among the partners.

Some analysts, however, expect more players to enter the market, with speculation rampant about a speaker from Facebook, which now allows business and consumers to connect through Messenger chatbots.

"Voice commerce represents the next major disruption in the retail industry, and just as e-commerce and mobile commerce changed the retail landscape, shopping through smart speaker promises to do the same," said John Franklin of OC&C.