

Canalys: Global smart speaker market to grow 13% in 2020 despite coronavirus disruption

Shanghai (China), Bengaluru (India), Singapore, Reading (UK) and Portland (US) – Thursday, 27 February 2020

According to the latest Canalys estimates, the worldwide smart speaker market grew 52% in Q4 2019, with vendors shipping 49.2 million units in the quarter. The last quarter of 2019 saw all five top vendors, Amazon, Google, Baidu, Alibaba and Xiaomi, break their all-time best shipment records. Amazon led the market, shipping 15.6 million units, up 38%. Backed by an updated Nest Mini and robust business-to-business deals coming into effect, Google shipped 12.5 million units and jumped back to second place after flagging in the previous two quarters.

Worldwide smart speaker shipments and annual growth

Canalys smart speaker market pulse: Q4 2019

Vendor	Q4 2019 shipments (million)	Q4 2019 Market share	Q4 2018 shipments (million)	Q4 2018 Market share	Annual growth
Amazon	15.6	31.7%	11.3	34.9%	+38%
Google	12.5	25.3%	8.8	27.2%	+41%
Baidu	5.7	11.6%	2.5	7.7%	+129%
Alibaba	5.6	11.4%	2.7	8.3%	+109%
Xiaomi	4.6	9.4%	2.5	7.8%	+82%
Others	5.2	10.5%	4.6	14.2%	+13%
Total	49.2	100.0%	32.5	100.0%	+52%

Note: percentages may not add up to 100% due to rounding

Source: Canalys Smart Speaker Analysis (sell-in shipments), February 2020

For full-year 2019, vendors shipped a total of 125 million smart speakers worldwide, 60% more than in 2018. Shipments in China more than doubled, from 21.9 million in 2018 to 52.0 million in 2019 and contributed 64% of all shipment growth in the year, thanks to Baidu, Alibaba and Xiaomi. Baidu stood out with its impressive 384% growth as its shipments grew from 3.6 million in 2018 to 17.3 million in 2019.

Worldwide smart speaker shipments and annual growth
Canalys smart speaker market pulse: 2019

Vendor	2019 shipments (million)	2019 Market share	2018 shipments (million)	2018 Market share	Annual growth
Amazon	37.3	29.9%	24.2	31.1%	+54%
Google	23.8	19.1%	23.4	30.0%	+2%
Baidu	17.3	13.9%	3.6	4.6%	+384%
Alibaba	16.8	13.5%	8.9	11.4%	+89%
Xiaomi	14.1	11.3%	7.1	9.1%	+97%
Others	15.4	12.3%	10.8	13.8%	+43%
Total	124.6	100.0%	78.0	100.0%	+60%

Note: percentages may not add up to 100% due to rounding

Source: Canalys Smart Speaker Analysis (sell-in shipments), February 2020

In 2020, vendors are rapidly diversifying their approach to smart speakers in an effort to maintain growth. “There’s a need to hasten the product cycle to bring more interesting devices to consumers faster to stay competitive, as well as to introduce new go-to-market strategies to increase the penetration of smart speakers in more households,” said Canalys Senior Analyst Jason Low. “But the COVID-19 issue has temporarily derailed some vendors’ efforts, especially Chinese vendors, which are feeling the biggest impact of all. As consumers are being confined to their homes, the effect is most significantly seen in the offline operator channel, which has recently grown in importance as a viable channel to drive large shipments. Moreover, in this critical period, consumers are expected to focus on necessity purchases in the short-term and delay any non-essential purchases until later in the year.”

Canalys forecasts a 22% year-on-year decline for smart speakers in China in Q1 2020 due to the coronavirus outbreak, with the market expected to bounce back from Q3 onwards once the situation improves. Canalys lowered its 2020 China smart speaker market growth forecast from 19% to 8%, while lowering its overall global growth forecast from 20% to 13%. The global market is still expected to see continuous growth, albeit at a lower level.

With the situation in China showing signs of improvement, the impact of coronavirus on the world's smart speaker supply chain is expected to be short-term. "Global device shipments have been delayed. Vendors need to tussle for production capacities to get their plans back on track and minimize the impact," said Low. "While production cost increase is one major risk, smart speaker vendors are expected to have minimal concerns over production and supply constraints compared with smartphone and PC vendors, as smart speakers are less complex to manufacture."

"Faced with this dire unforeseen event, Chinese vendors have had cause to think much more about their customers and human factors. There have been feature and use-case improvements as users began heavily depending on online services at home, such as live streaming of children's school classes and online ordering. Beyond these new scenarios caused by the virus there is increasing demand worldwide for online education, digital health and integration of O2O services. So the recent launch of large-screen smart displays in China bodes well for uptake," added Low. "The challenge in the second half of 2020, when we hope circumstances will have dramatically improved, is to grow without relying on major price wars and aggressive subsidies, which will be another huge challenge for Chinese vendors."

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