

The future is here, and the future is audio!

For this week's spotlight on innovation, egtabites is taking a closer look listen to Amazon's *Alexa* ecosystem. Voice-activated, artificial intelligence assistants – such as *Alexa* – have the potential to be a truly transformative technology. And, as they exist primarily in a world of sound rather than vision, they offer radio some very interesting possibilities for the future.

While earlier voice-activated assistants, such as Apple's *Siri* and Microsoft's *Cortana*, have relied heavily on the screen as primary interface, *Alexa* employs audio for both stimulus and response. This is a challenge for brands, which have traditionally focussed on visual communication, and a great opportunity for radio – a medium that has refined the skilful use of audio to an art over the years.

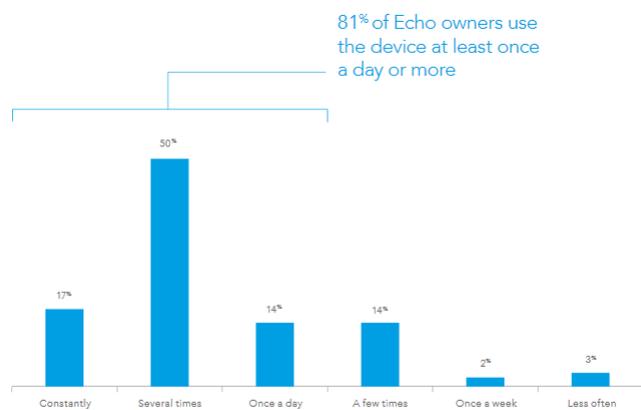
“Tell me more, Alexa!”

A technology rapidly gaining in popularity

Amazon launched *Alexa*, the software that powers the company's *Echo*, *Dot* and *Tap* devices, in the US in late 2014. It has since made its way to Europe, with initial launches in the UK and Germany.

As with mobile operating systems, such as *iOS* and *Android*, *Alexa*'s voice-activated ecosystem is reliant on two factors to fulfil its transformative potential: adoption at scale and a rich selection of genuinely useful applications (or skills, in Amazon parlance) for owners to choose from.

When it comes to adoption, [new research by the UK's Radiocentre](#), co-funded by Radioplayer and Global, indicates that *Alexa* is moving quickly on that front as well, with Amazon's *Echo* speaker systems becoming an ever-more popular fixture in the nation's households.



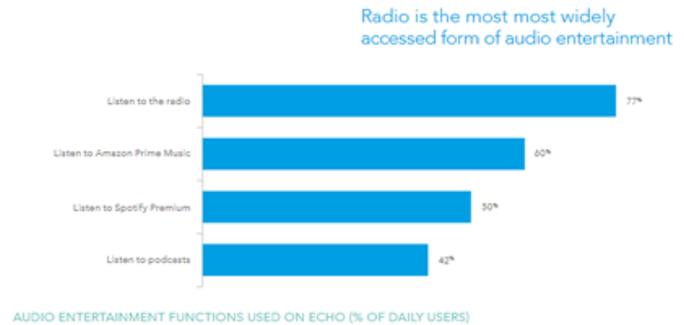
The research found that 9% of UK households own one or more *Echo* devices, a rapid rate of penetration since *Echo*'s UK launch in Autumn 2016. Claimed intention to purchase indicates that some 40% of households may have smart voice-controlled devices present by early 2018.

Once you've got *Echo*, you (probably) like it. And you (probably) listen to a lot of radio on it

The use of *Echo* tends to be shared between members of a household, and most owners use it very regularly – 81% use *Echo* daily. The need to learn a whole new way of interacting by voice command certainly doesn't seem to pose users any problems.

Owners tend to turn to *Echo* for functional, bite-sized information gathering in the morning, and more immersive entertainment-led activities in the evening.

Audio entertainment is one of the primary reasons people buy Amazon *Echo*, and a range of services are available, including broadcast and catch-up radio, Spotify and Amazon Prime Music. In the UK, radio takes a dominant 72% share of *Echo* audio entertainment time, with the Radioplayer skill providing an improved interface for listeners. This makes radio the most natural way for brands to deliver audio advertising to *Echo* owners.



New advertising opportunities on *Echo*

Alexa skill developers now have a new proposition for advertisers that want to reach voice-first consumers. For example, [VoiceLabs](#) – a voice analytics firm – has launched [Sponsored Messages](#), the first native advertising to help *Alexa* developers monetise, and continue to invest in the voice-first evolution.

Sponsored Messages consist of short pieces of audio, for example allowing a sponsoring brand to thank listeners for using the skill in question. Designed to be light and non-intrusive, VoiceLabs has built on *Alexa*'s artificial intelligence capabilities to make *Sponsored Messages* interactive, which also opens the door for powerful analytics and attribution with this new audio ad unit. The company reported a very successful period of tests with launch partners including ESPN, Progressive Insurance, and Wendy's.

The future for *Alexa*?



Amazon's strategy for integrating *Alexa* as an essential household assistant has similarities with Google's approach, with its *Google Assistant*-enabled *Google Home* connected speaker system. Amazon has recently launched [Echo Show](#), which adds a 7" touchscreen to combine visuals with *Echo*'s existing audio capabilities.

Market research firm eMarketer forecasts that *Echo*-branded speakers will take just over 70% market share of all voice-enabled speaker users in the US in 2017, putting Amazon well ahead in the race with *Google Home* and other smaller device manufacturers. In a rapidly growing market, *Alexa* looks set to achieve the kind of scale that could transform the way people interact with content, entertainment and brands. To quote the technology commentator [Chris Messina](#), "Make no mistake: Amazon is grinding the very concept of the personal computer into dust."

What this means for egta members

To some degree, this all depends which market you are in and how voice-controlled ecosystems develop over the coming years. If *Alexa*'s experience in the US and UK is any guide, radio looks set to have an exciting new opportunity in the sonic environment that it has long dominated. Forward-thinking radio broadcasters can jump into *Alexa*, as Amazon has rolled out its *Alexa Skills Kit SDK* to help developers produce *Alexa* skills.

Audio is a hugely important component of brand communication, and in a voice-first setting, radio can deliver results like no other medium.

Stay tuned: the future is here, and the future is audio!