

The background of the top section is a dark, blurred image of a smart speaker, likely an Amazon Echo, with a glowing Wi-Fi signal icon overlaid on the right side. The text is centered over this background.

IMPLICATIONS OF VOICE FOR MARKETING PURPOSES

Market Snapshot Report

WHAT IS INTERACTIVE VOICE?

Two-way audio communication between a human and a device

The IAB set out to explore why consumers are adopting Voice Assistants and Smart Speakers and what the implications are for marketers and the future of advertising.

This evolution of technology is unique because it's not only introducing new devices and software, but it is also bringing on the mass adoption of a new interface for interacting with devices. For many consumers, this is the first time they are using their own voice to command a device and



the first time they are hearing devices respond in a very human sounding way.

We are referring to this new engagement as “Interactive Voice”, which is the 2-way engagement that a consumer has with a Voice Assistant like Amazon’s Alexa, Google Assistant or Apple’s Siri via a smart speaker, mobile phone, connected device in the home or their automobile, for example.

Interactive voice experiences are quickly becoming a part of consumers’ lives and will soon be everywhere



Juniper Research predicts that by 2022 over 70 million U.S. Households will have a smart speaker such as Amazon Echo, Google Home or Sonos One.

Source: Juniper Research/TechCrunch



It’s estimated that 18% of Americans now own voice assistant powered devices and 65% of owners say they wouldn’t want to go back to life without them.

Source: The Smart Audio Report from NPR & Edison Research Fall/Winter 2017



While voice engagement with smart speakers is growing fast, the majority of Interactive Voice experiences will occur via smart phones, with over 5 Billion Assistants installed on Smart Phones worldwide and over 870 Billion assistant enabled devices in the US by 2022.

Source: Juniper Research/TechCrunch

Early adoption by brands and content owners

Many content producers (publishers, broadcasters) have found early opportunities on the platforms by repurposing content (audio shows, podcasts, etc.) either in their entirety or in shorter form versions (daily briefings, for example.)

Some companies and many of the brands/marketers who have been early adopters of Interactive Voice platforms, have found that they must create unique experiences that provide thoughtful interactivity between the consumer command and the device/skill/app's response.

Interactive voice engagement will change the consumer's path to purchase significantly

Perhaps the most important impact these devices will have on Marketers is the role Interactive Voice platforms will have on the consumer path to purchase. The impact is seen on the popular tasks today and in the future:

- Today, many of the popular commerce related Interactive Voice actions consumers are using are simple and related to a past or future purchase: checking on the status of an order, making shopping lists and searching for products and services are top behaviors
- In the future, consumers get more comfortable with these devices and their actions become more meaningful and have real revenue implications, like making purchases, providing reviews and re-ordering items seamlessly

Source: Capgemini

Why does it matter?



The combination of saved credit cards, delivery information, product preference and the simplicity of voice commands make it easy to transact. The risk is that this may drive commerce through a limited set of partners. That is why it is so important to be present on the leading platforms (Alexa and Google Assistant)."

– Adam Marchick, CEO & Founder, Alpine.AI

Is the time right for marketers to invest in an interactive voice strategy?

Interactive voice usage is causing a major consumer platform shift. Similar to many of the platform shifts we've seen in the past, like the consumer shift to the internet, mobile devices, social platforms, this creates a question in the mind of businesses "Is the time right for us to start developing a presence on these platforms?" For Marketers, this type of shift usually creates opportunities for those who master the platforms early to capture market share and risks for incumbent brands to defend their position.



It's like having the opportunity to buy beach front real estate in Malibu before anyone knew about it. It's similar to the early web and early search – there's a first mover advantage."

– **Gary Vaynerchuk, CEO, VaynerMedia**



Being there is the KPI for success – if you're not, someone else will steal your share over time. People have the mental space for 3-5 spots for apps/experiences they use – if you don't become one of those slots now, the cost to acquire a user will be significantly more expensive if not impossible."

– **Will Mayo, CEO, Spoken Layer**



It's like the have and have nots in mobile apps - those that built and those that didn't. If you look at top 100 or 1000 companies in ecommerce today, most of those companies did well with mobile. The same trend will hold true with voice and the companies who do well in this space will be the ones who lead ecommerce in the future."

– **Adam Marchick, CEO & Founder, Alpine.AI**



Ultimately, brands that are first to market aren't necessarily the end game winners, however, those that become an intrinsic part of a consumer's daily voice-led routine. That's the "winner"."

– **Donnie Williams, Chief Digital Officer, Horizon Media**

WHAT'S DIFFERENT ABOUT CONSUMER ENGAGEMENT WITH INTERACTIVE VOICE VS. OTHER PLATFORMS?

Three key consumer behavior buckets could help shape the way you think about bringing your brand to these platforms. Consumers are generally using their assistants for:



Utility & Task

- "Do Something For Me"
- Weather
- Control Smart Devices
- Hands-free directions
- Reminders



Content & Entertainment

- Music
- Games
- Audio Books / Podcasting
- Flash Briefings

* 71% of Smart Speaker owners say they're listening to more audio (NPR)
53% of the time this is done with others (NPR)

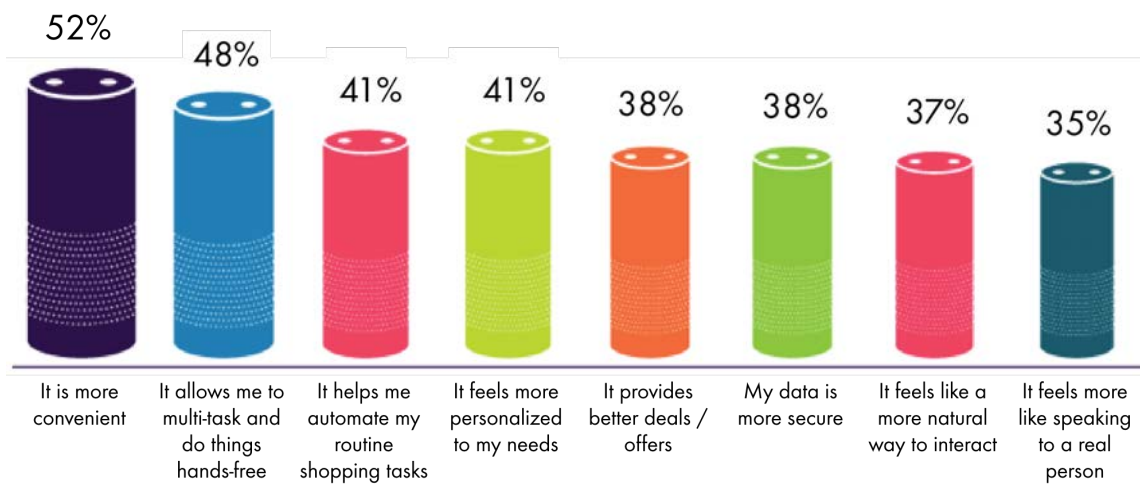


Search & Commerce

- Voice Search "I'm Looking For Something"
- Chatbots
- Shopping Lists
- Order for Now - (Food, Taxi, etc.)
- Order for Future

It matters to consumers because it's convenient and saves them time

"I would prefer a voice assistant over a website or an app because:"



Source: Capgemini Digital Transformation Institute, Conversational Commerce Survey, October-November 2017, N = 5,041 consumers in the U.S., U.K., France, and Germany.



“Speed has always proven to be the killer app. Save me time and I’ll use you.”

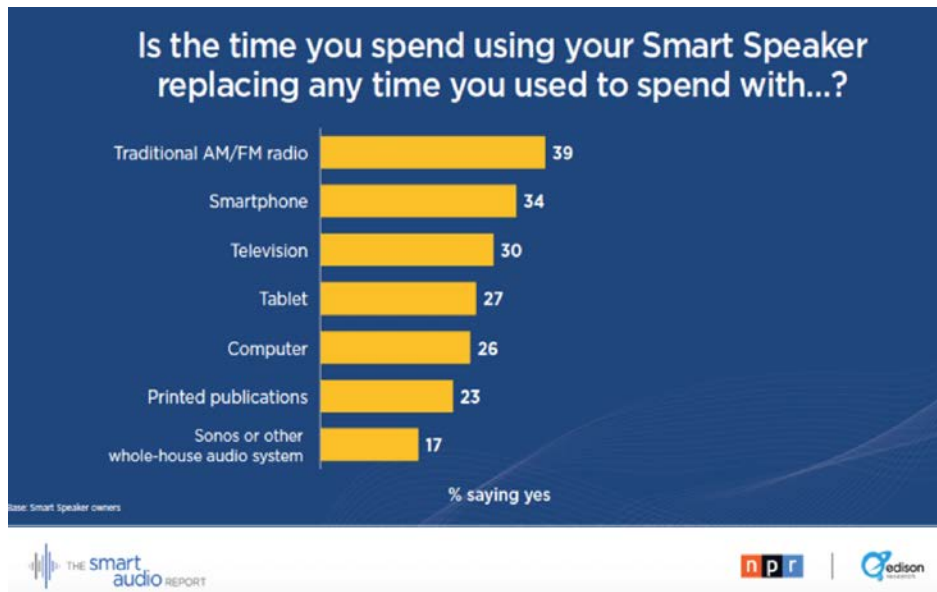
– **Alexandre Linares, CTO, Alpine.AI**



“Today convenience is the play, over time you’ll need to understand consumer needs and then start to anticipate them. It’s about building relationships based on much deeper understanding.”

– **Mark Paul Taylor, Chief Experience Officer, Global DCX Practice, Capgemini**

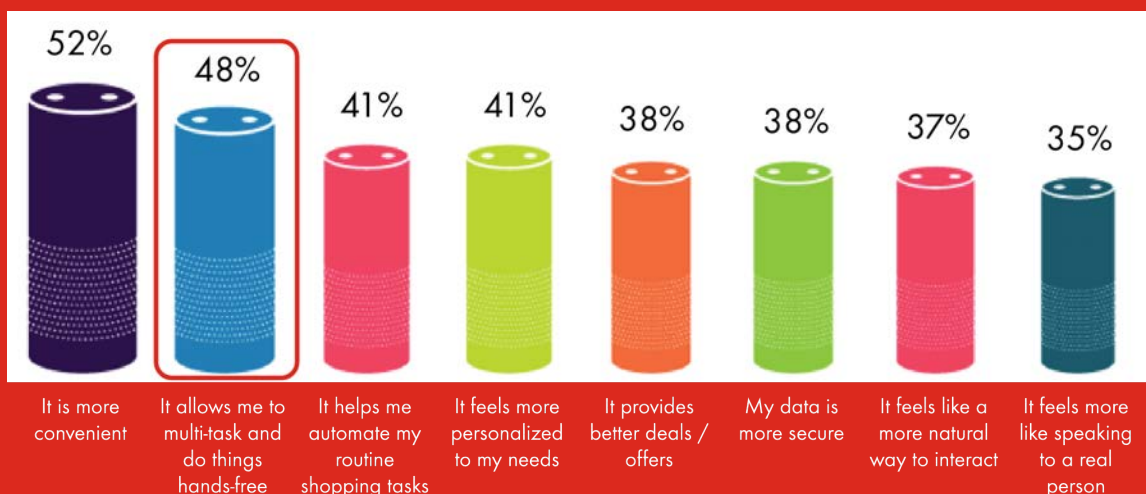
These new platforms are taking time from other media



“Some of the experiences are very personal – like people using their smart speaker to keep them company, or parents asking Alexa to read a bedtime story. But there are also more social experiences happening with people and families experiencing audio together again...this is a return to shared experiences that weren't happening before.”

– Meg Goldthwaite, CMO, NPR

Similar to our usage of mobile devices, multi-tasking with interactive voice platforms is also creating new time with media





“It takes more work to stop listening than it does to keep listening.”
– Will Mayo, CEO, Spoken Layer

THREE STEPS TO GETTING STARTED



1 If you’re a brand or business and you want to get started, who can help?

What are your options to develop a Skill/Voice App? 3 Popular approaches:

Ask Your Agency Partners: Some of the larger advertising/marketing agencies, like VaynerMedia or Horizon Media, are offering development services.

Assess Voice-focused Agencies and Platforms: Emerging Agencies and Platforms focused on delivering Interactive Voice experiences, like Spoken Layer, Alpine.AI, and Rain.

Develop In-House: Some organizations are developing their skills with their in-house development teams.



“Find the right partner - someone who can combine the creative ideas you need, and build out an interesting engaging skill, but can also build out the tech. And remember that programming and user experience are equally important – in the interactive voice space, little things like the length of pauses in between commands and responses make a big difference in consumer satisfaction and engagement.”

– Jefferson Kohler, Brand Manager, Diageo

2

Getting discovered

Once you've developed an Interactive Voice app/skill, you will need to promote it to get consumer adoption and engagement. One of the major challenges today (and for the foreseeable future) is that the platforms (Google/Amazon) don't offer advertising products to help you promote your skill directly via the voice interface.

Here are three common ways marketers are promoting their skills/apps despite this challenge:

1. Integration into Podcasts or other audio programing (see aside)
2. Off-platform Media pushing to your voice skill/app
3. Getting featured by the platforms in their app/skill stores and/or having high consumer ratings



"Beyond just a call to action, your media should set the expectation for how the consumer should interact with the skill/app. This is a key element to ongoing usage."

– **Patrick Givens, VP, Head of VaynerSmart, VaynerMedia**

SOUND BITE

In an early case study for cross-skill promotion, Peppercorn Media worked with NPR's sponsorship team to promote their new "Word of the Day Quiz" Alexa Skill to people while they were actively using the device to listen to the NPR Flash Briefing. Within the first week, more than 10,000 people responded to the promotion to immediately play the quiz. That's a 5.5% conversation rate. And the audience stuck around: The following week, the Skill saw an increase of 3K more users than the week prior.

3

Measuring success

1. Users – this is the first and most obvious metric, but it's still early on these platforms so total volume of users should not be your only metric of success.

2. Usage & engagement

“Usage is an important KPI for us - where do people finish in the journey? Do they learn a certain number of whisky facts? It's important to establish these KPI's at the beginning, combined with a very clear consumer purpose, to make sure you're building the right engagement points for the right outcome.”

– **Jefferson Kohler, Brand Manager, Diageo**

RBC predicts that Amazon Alexa platform revenue could exceed \$10 billion by 2020 and Juniper suggests that advertisers will need to “build a brand's voice strategy around information provision as well as sales.”

PREDICTIONS, THREATS AND TRENDS TO WATCH



Trend: Interactive voice for business

As in-home consumer usage of Interactive Voice platforms grows, it's logical that this behavior will extend to our work environments. Amazon is marketing the value and usage examples of Alexa for Business and enabling companies to have separate controls, like private skills for employees only, in order to separate a brand's consumer facing presence from their internal one.

SOUND BITE

Staples has evolved their “Easy Button” concept for the Interactive Voice age, developing voice enabled buttons to be distributed through offices enabling employees to quickly order office supplies, food or get a reminder of what the WiFi password is.

- DMW News



“Interactive voice in business is an interesting trend to watch – Alexa for business allows for companies to build skills only accessible to their workers, focused on corporate communications, email access and day to day task management.”

– **Patrick Givens, VP, Head of VaynerSmart, VaynerMedia**



Trend: Interactive voice experience creating new retail experiences

Retailers are starting to experiment with Interactive Voice experiences embedded in physical stores. As consumers get more comfortable interacting this way, this could provide faster and more detailed access to information to augment human interaction and create brick and mortar retail experiences that are more similar, or perhaps even better, than ecommerce experiences.



“Finding the right product online can actually be a cumbersome process – it might take you 5 clicks to narrow down the running shoe that's best for you. In comparison, an interactive conversation with a Voice Assistant could get you to the same result with just a few seconds of dialogue.”

– **Adam Marchick, CEO & Founder, Alpine.AI**

Top 3 reasons consumers say they prefer voice assistants over human interaction:

1

It's Faster

(49%)

2

It's More Convenient

(47%)

3

It Provides Great Choice

(41%)

Source: Capgemini

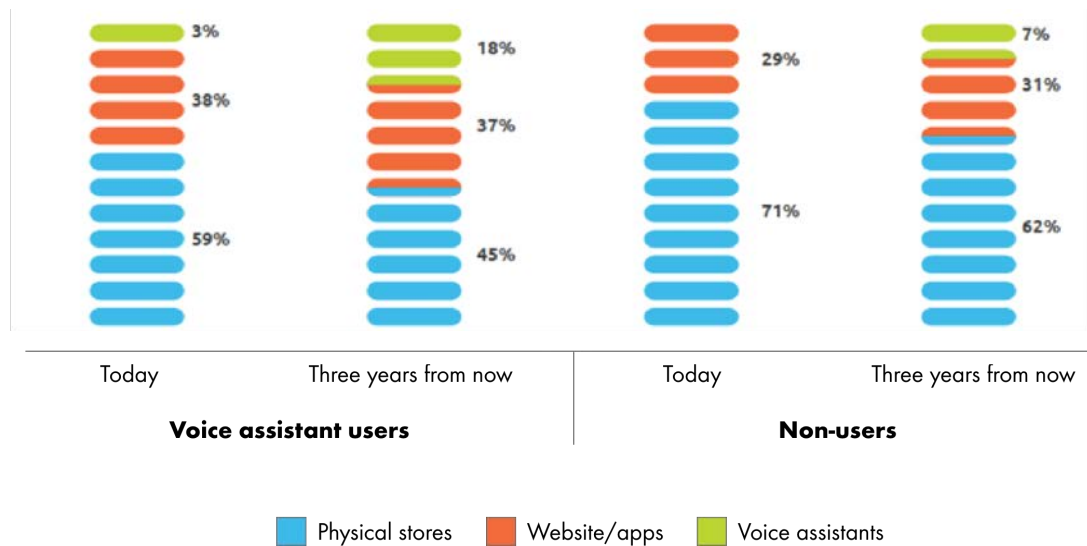
SOUND BITE

Bottle Rocket Wine & Spirits in NY introduced a skill to their Whiskey Aisle, where consumers answer a few questions and are served up 3 recommendations for Whisky to try.



Trend: 5x Growth in spending mix towards interactive voice platforms takes shopping time away from physical store experiences

Change in spending mix between physical stores, websites/apps, and voice assistants, today and three years from now



Source: Capgemini Digital Transformation Institute, Conversational Commerce Survey, October-November 2017, N = 5,041 consumers in the U.S., U.K., France, and Germany.



“One of the reasons people shop in stores is because you can interact, ask question and get advice. Consumers will shift their behavior to shop at home if they can have a similar or better interactive experience.”

– **Mark Paul Taylor, Chief Experience Officer, Global DCX Practice, Capgemini**



Trend: The future of brands in an interactive voice world

As consumers continue to look for convenience and command their smart assistants to order and re-order products, questions have been raised about whether brands and brand preference will be impacted. In theory, the platforms can control the brand delivered into a shopping cart, therefore removing the classic brand selection process that exists in commerce today.

While some predict this might be the death of the brand, others believe that branding will be even more critical than ever, as you will need to encourage a consumer to ask for your brand by name.

“

“Brands are at risk of being marginalized in a voice driven world, so brand marketing may matter even more. Asking Alexa to order you batteries will result in Amazon simply fulfilling your request with their brand of batteries, but the brands who continue to invest in differentiation and brand identity will inspire consumers to ask for them directly.”

– **Bryan Moffett, COO, National Public Media**

“

“Brands now have a chance to behave like human beings, talking, understanding, guiding, empathizing...voice is the single biggest vector of emotion, emotion is the biggest driver of preference. This is a true 1:1 marketing opportunity and a chance to build relationships like never before.”

– **Mark Paul Taylor, Chief Experience Officer, Global DCX Practice, Capgemini**

WHAT ARE THE BIG THREATS TO THE EVOLUTION OF THE PLATFORMS?



Privacy and the “creepiness” factor of a device that could potentially be listening to you at all times are a concern.

“As we saw in The Smart Audio Report research, privacy is among the top concerns among people who don’t yet own a smart speaker [1]. But it’s a value exchange – people who own smart speakers know the devices are listening. The onus is on tech companies to keep this a safe space in terms of privacy and respect the intimate nature of a platform people use as a personal assistant. People are building trust with these systems now, but the minute that trust is violated, that’s when people would give up on a specific manufacturer or even the concept at large.”

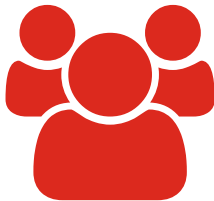
– **Bryan Moffett, COO, National Public Media**

[1] The Smart Audio Report from NPR & Edison Research, Spring/Summer 2017



“Short term ROI is not obvious at this stage of the market. That is why it is important to manage upfront application costs and take an approach of continual application evolution.”

– **Adam Marchick, CEO & Founder, Alpine.AI**



- **Multiple platform options** – As Google, Amazon and others battle it out for consumer adoption, consumers will be left thinking “Which platform am I speaking to?” This also presents a challenge
- **Mixing platforms** – challenge for developing and driving adoption
- **The skill base is different**
- **The commands are different**
- **IOT has the entire house voice enabled**



Quantity vs. Quality – “Similar to the early days with the app ecosystem, “gimmicky” apps that appear to serve little purpose will clutter the environment.”

– **Donnie Williams, Chief Digital Officer, Horizon Media**

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IAB Mobile Center of Excellence

The Implications of Voice for Marketing Purposes Market Snapshot report was born out of discussions with **IAB Mobile Center of Excellence** Board members. The IAB Mobile Center is an independently funded and staffed unit inside IAB. It is charged with empowering the media and marketing industries to thrive in a “mobile-always” world and in an increasingly “direct brand economy,” where user experience and consumer relationships are at the heart of modern day marketing and a significant driver of publisher transformation. Since its launch in 2010, the Mobile Center has helped accelerate the growth of the mobile ecosystem through standard setting, best practices, consumer research and public advocacy. Mobile Center Board members actively shape the strategic direction for IAB initiatives.

– To learn more about the IAB Mobile Center of Excellence, contact Susan Borst, VP, Mobile (susan@iab.com).