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According to Canalys, global smart speaker shipments total 28.6 million units in Q3 2019-- a 44.9% Y-o-Y increase with Amazon in the lead, followed by online retail giant Alibaba reigning supreme in China.

Worldwide smart speaker shipments and annual growth

Canalys smart speaker market pulse: Q3 2019

Vendor	Q3 2019 shipments (million)	Q3 2019 market share	Q3 2018 shipments (million)	Q3 2018 market share	Annual growth
Amazon	10.4	36.6%	6.3	31.9%	65.9%
Alibaba	3.9	13.6%	2.2	11.1%	77.6%
Baidu	3.7	13.1%	1.0	4.9%	290.1%
Google	3.5	12.3%	5.9	29.8%	-40.1%
Xiaomi	3.4	12.0%	1.9	9.7%	77.7%
Others	3.6	12.5%	2.5	12.5%	44.0%
Total	**28.6**	**100.0%**	**19.7**	**100.0%**	**44.9%**

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

Source: Canalys Smart Speaker Analysis (sell-in shipments), November 2019

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The open retail channel makes it increasingly challenging for smart speaker vendors to stimulate sales, even as it regularly offers promotions and discounts. The Amazon "Echo Upgrade Program" helps entice users to trade-in old Echo or non-Echo Bluetooth speakers to further increase Echo device penetration, while Google is looking into partnerships with the likes of Spotify to drive sales through different channels. Alibaba is also running collaborations with local and international companies in order to boost the consumer appeal of Tmall Genie devices.

Amazon leads in smart speakers with shipments reaching 10.4m through "stellar" Prime Day performance, as well as strong back-to-school and off-to-college shopping campaigns. Alibaba comes 2nd with leadership in China, followed by fellow Chinese vendor Baidu. Google slips to

4th place in Q3 2019 with shipments dropping by -40.1% Y-o-Y to 3.5m units as it advances the Nest brand. Closing the Top 5 is Xiaomi with shipments reaching 3.4m units, a 77.7% Y-o-Y increase.

Meanwhile the smart display category sees 500% Y-o-Y growth to 6.3m units, setting it up as a "key category." Amazon leads in the category, unsurprisingly enough, as the Echo Show 5 makes 16% of global shipments for the company. However, while smart displays are becoming more important, consumer price sensitivity and pragmatic use cases remain key challenges for the industry to solve.

"Low-priced devices are vital growth drivers for smart displays and heated competition ahead of the Q4 2019 shopping season is expected," Canalys says. "It is crucial, especially for Chinese vendors, to avoid falling victim to the sunk-cost fallacy, in which they have to stop money-burning to achieve shipment goals, but instead focus on their overall business objectives and to generate revenue soon."

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