

Voice assistants in an emerging market



ARIJIT CHAKRABORTI

IN February 2010, a mobile app called Siri was introduced to Apple iPhone and iPad users. Apple acquired the software the following year and integrated it with subsequent versions of its mobile and desktop products. Thus the journey of a new service called voice assistants began.

Amazon responded to the release of Siri by launching a voice assistant called Alexa in November 2014, Google came up with Google Home in November 2016, and Microsoft launched Cortana in May 2015. Several other technology companies have also introduced their own voice assistant products which have recorded varied popularity. Today, developed countries like the US have an identifiable product market of voice assistant devices and software.

As voice assistants are software, they can be downloaded and used on smartphones, wearable devices, and tablets. According to a survey conducted by PwC in February 2018, among 1,000 American users, 90 percent are aware about the presence and capabilities of voice assistants in the devices they use. However, three out of four use it only at home. Such usage may be driven by the specialised devices built for home environments such as a living room.

A voice assistant can perform tasks ranging from searching the internet to controlling electronic appliances. Its capabilities are

growing rapidly and more machines are becoming interoperable with voice assistants. However, users still prefer to use voice assistants to perform basic tasks like searching the internet or playing music. With the comfort of usage increasing, we will see its use in performing relatively complex tasks in the future.

Trust remains a matter of concern while using voice assistants. A good number of users are wary about providing financial information like credit card data to voice assistants. Many shoppers limit their use of voice assistants to perform basic shopping only, such as buying a detergent powder. However, when it comes to shopping for, say a sweater, most shoppers rely on e-commerce website instead of voice assistants to shop for them.

The other growing concern is voice assistants' ability to listen to conversations in the home of users and use information from those conversations subsequently. A majority of users have got accustomed to seeing advertisements of a particular product when they search for similar products on the internet. However, they are not used to receiving an advertisement or a promotional offer of a product while discussing similar things among family members within their homes. Such personalised behaviours of voice assistants surprise many users in a negative way and erode the overall trust in voice assistants.

Creating a market for voice assistants requires a good amount of effort in building the ecosystem for that country and community. For example, playing music for an American user in America would require the creation of an inventory of English music of different genres. However, the same is unlikely to work for users in Bangladesh.

That makes the marketing of a voice assistant local instead of global. Some of these products have been launched in India and their product ecosystem is developing. However, their plan to do the same for Bangladesh market are not yet known.

American households having annual income higher than \$100,000 are driving the sales of voice assistants today, making it a product for the upper middleclass population. The same is visible in emerging countries like Bangladesh too. Today, only a few high-income households of Bangladesh have voice

assistants installed in their houses. Most of them are used for entertainment only, such as playing music.

Beyond providing entertainment and ease of use, voice assistants have a big role to play in the world of digital accessibility. Computers and smartphones used today provide little facility to users with physical challenges such as blindness and colour blindness. Voice assistants are capable of including such group of individuals into the digital world. A blind person or a person incapable of using hands for typing would find voice assis-

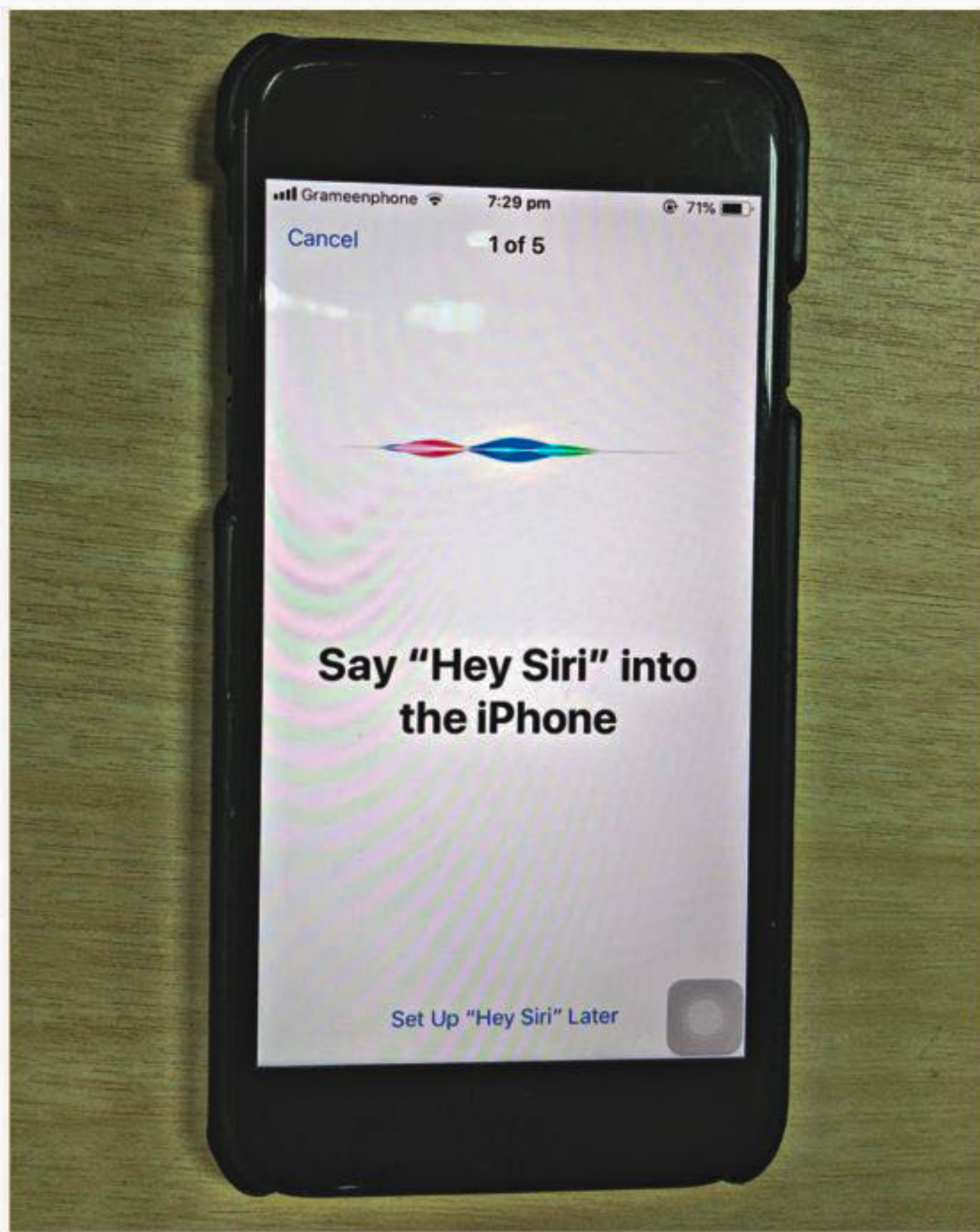
stants as an enabler to use computers, smartphones, and other electronic devices. Building proper awareness and useful integration with digital transformation programmes will increase the utility of voice assistants manifold.

In fact, cost-effective voice assistants may become an integral part of the Digital Bangladesh Vision. More than 800,000 people in Bangladesh suffer from blindness, according to various healthcare studies. A similar number of individuals would have other physical challenges that would limit their ability to use standard computerised systems. Enabling them with the right kind of voice assistants would drive digital inclusion further.

Private enterprises may also look into the role of voice assistants for enhancing efficiency and improving workplace accessibility. A lot of companies in Bangladesh today have embarked on their journey of digitalisation. They are implementing enterprise applications to digitalise their value chains. In most cases, workers have to input data into the system by using computers while their actual jobs require them to use some other tools. An integrated voice assistant would help them provide inputs into the enterprise applications without spending time in reaching out to a computer and typing in the inputs. While such arrangements require deeper business vision and higher digital maturity, the business leaders must start thinking about such possibilities using this technology.

Bangladesh is yet to emerge as a market for the voice assistants. However, there is ample scope to adopt it to accelerate economic growth and digital inclusion.

The writer is partner at PwC. The views expressed here are personal.



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Voice assistant app Siri is seen on an iPhone. Developed countries have an identifiable product market of voice assistant devices and software.

India's gold imports surge as jewellers replenish inventory

REUTERS, Mumbai

India's gold imports rose for the first time in seven months in July after a fall in prices ahead of a jewellery exhibition prompted jewellers to replenish stocks, provisional data from metals consultancy GFMS showed.

The 44.2 percent year-on-year jump in gold purchases to 75 tonnes last month by the world's second-biggest consumer could support global prices, which on Monday dropped to 17-month lows.

But higher gold imports may widen the South Asian country's trade deficit and put further pressure on its currency, the rupee that hit a record low of 69.89 against the dollar on Monday.

"The recent rise in imports was due to stock building due to lower prices ahead of the jewellery show and in anticipation that the rupee may continue to weaken till 71



REUTERS/FILE

A salesman poses with a gold necklace at a jewellery shop in India.

rupees," said GFMS analyst Cameron Alexander.

A five-day India International Jewellery Show, where jewellers showcased designs to buyers, was organised last week in Mumbai.

"Jewellers were not buying in June expecting a big drop (in prices). In July, the correction attracted jewellers, who were on the sidelines," said a Mumbai-based dealer with a private bullion importing bank.

Indian gold prices fell to their lowest level in six months in July. For the first seven months of 2018, the country's gold imports fell 28 percent from a year ago to 406.2 tonnes, data compiled by GFMS showed.

Indian gold demand is set to improve in the second half of the year after falling 6 percent in January-June, as government steps to boost farmers' incomes are expected to lift rural buying power, the World Gold Council said earlier this month.

Trade war threatens reign of luxury stocks

REUTERS, London/Paris

An escalating trade war between the United States and China could abruptly end a glittering stock market run for luxury goods firms, with some investors already put off by lofty valuations in a sector powered by shoppers in the two countries.

From pricey handbags to designer shoes, booming sales at the European companies that dominate the industry like Louis Vuitton owner LVMH and Gucci parent Kering have made them investor favourites, with shares still near record highs.

2012, a Chinese crackdown on corruption caused purchases of premium cognac and other high-end goods used as gifts to fall sharply, taking the likes of LVMH and Remy Cointreau shares down with them.

This time, tariffs threaten consumers' spending power in both the United States and China – the world's two biggest consumers of European luxury goods, which make up just over half the industry's revenues.

The impact on confidence in China's markets, including the depreciation of the renminbi that would eat into Chinese tourists' budgets for shopping in Europe, is



REUTERS/FILE

A Chanel handbag for sale is displayed at The RealReal shop, a seven-year-old online reseller of luxury items, in Manhattan, New York.

But the possible trickle down effect of tit-for-tat tariffs hikes on consumers is adding to jitters over heavy valuations, even though luxury firms are not as directly threatened by rising protectionism as carmakers and industrial companies.

The sector has an average valuation of 21 times 12-month earnings forecasts, according to Reuters data, down from its May peak, but still 23 percent above its 10-year average.

"We are not making a call that they are bad companies, we think they're great companies. But they're bad investments," said Edinburgh-based David Keir, co-manager of the Saracen Global Income and Growth fund, which dropped its LVMH holdings last year and sold out of German suit maker Hugo Boss in early July. "Now there's an incremental risk from the great unknown of trade tariffs as well."

It would not be the first demand-driven wobble the luxury industry has faced. In

among risks that may not be fully reflected in stocks yet, analysts warn.

"We see very little priced in so far," said UBS analysts, who forecast as much as a 30 percent share price drop in the sector index in the event of a fully-fledged trade war.

Among the stocks that would be worse affected, UBS included Italy's Salvatore Ferragamo and Britain's Burberry. The two brands are in the midst of turnaround plans that have yet to fully hit their stride.

So far, the knock-on effect on revenues has been muted.

If anything, Chinese demand for Louis Vuitton's leather goods ticked up in the second quarter compared to the first, LVMH reported, while most firms argue their core clientele is here to stay.

"We have still an expansion of the middle and upper class in China," Kering's group managing director Jean-Francois Palus told analysts following the company's half-year results.

The Chinese street's view of the trade war: some say they won't buy US products

REUTERS, Beijing/Shanghai

CHINESE officials have been mostly measured and moderate in their response to US President Donald Trump's ratcheting up of a trade war with Beijing in recent weeks through his announcement of a series of punitive tariffs. They have generally avoided adding to tensions, allowing the Communist Party's official media to make the most bellicose comments.

But the mood on the streets of Beijing and Shanghai is a little less accepting. Reuters talked to a cross section of 50 people, mainly from the two cities, about how concerned they are about the trade war, what they think Beijing's response would be, and whether they think Chinese people should boycott American products in retaliation.

The interviews showed there is no palpable sense of crisis or panic yet. There is division and confusion over how China should respond to Trump, with some arguing that Beijing should strike back at American interests but others saying they didn't know what could be done.

But perhaps most worrying for American businesses selling in China, a significant minority of the people interviewed – 14, or 28 percent – want to stop buying American products now, and some say they are already boycotting anything made in the US. Others said they would continue to buy American but that could change in the future.

If that was representative of the whole of China – and words were turned into action – it might start to put a dent in sales of Apple's iPhones, Disney's movies, Starbucks' drinks and General Motors' cars, among other American products – and that's without any boycott being organized by the government or activists. A decade after China basked in the patriotic glory of an inspirational opening ceremony for the Beijing Olympics, nationalist sentiment is rarely far below the surface.

The straw poll's sample is very small and clearly not scientific. The interviews were also conducted in a country where people are often guarded and may well not let foreign media know their real views. Any individual's comments deemed inappropriate – criticism of Xi would fall into this category – could lead to trouble with the authorities.

But the views expressed in the 50 interviews are more than the basis for idle curiosity.

Here are the results of the straw poll: -Asked whether they were worried about the trade war, only 11 of the 50 (22 percent) said they were, and 39 (or 78 percent) said they weren't concerned.

-Asked what Beijing should do in response to Trump's punitive tariffs, 19 (or 38 percent) said that it should strike back hard. The rest came up with various responses, including a

refocus on development of the domestic economy, building other export markets, while 8 (or 16 percent) said they had no idea what the government should do.

-Asked whether they would stop buying US products, 14 said they would, 31 said they wouldn't (some indicated their views could change if the trade war intensifies), and five didn't have a view. Here are some of the comments from those interviewed:

"Of course I'm concerned. It's a clash between the largest and second-largest economy," said Shanghai stockbroker Cai Qing, 40.



REUTERS

Vendor Zhao Baoxin speaks during a street interview on US-China trade war at his shop in Beijing, China on August 9.

"None of the relevant parties were fully prepared for the trade war. Policies were rushed, including US policies," he added.

"To put it bluntly, Americans have always been so arrogant – they make everyone their manufacturer so they can reap the economic fruit," said Qu Xinjun, who works in the steel industry in Shanghai.

"Trump is waging a psychological war with China. He was trying to intimidate China. From a psychological standpoint, we should not worry about the trade war, but rather focus on domestic development," he said. "We should trust our country and the leadership and trust that we can win the war."

"China has to hit back, which could show its great power status. China has to win this match," said Beijing interior decorator Zhang Shiyu, 56. China has other markets it can look to, and President Xi Jinping's landmark proposal to build a new Silk Road, called the Belt and Road initiative, he said.

"We Chinese should not buy Apple phones.

Like the saying 'Buy the nation's products, love China', buying domestic products will boost our own industries."

"A lot of American goods are actually made in China," said Wei Shaochuan, 26, the founder of a tech start-up in China's central Henan province, was interviewed on WeChat.

"But if, after a period of time, the trade war really incites a sense of hatred against the United States, then I will not watch American movies, not listen to American music, not recommend Disney (DIS.N) to friends, and start writing social media posts saying that

Americans are not good, in order to counter American cultural products," he said.

"I'm a strong supporter of Chinese products. I'm a firm opponent of any American product, especially after reading the news," said Zhao Guoxin, 61, a store owner in Beijing. "The other day I went to this American shop and I told them I won't buy one single thing, and I made them very awkward. To be honest I do think America is pretty obnoxious," he said. "To be honest, importing from the US isn't our sole route," said Wang Yangqing, a Beijing nurse who said she was in her 20s. "We could also import from European countries. For girls, we use some American skin care products. If tariffs keep rising, I may shift to products from other places such as Japan or Korea."

"China should strike back properly," said Xu Dong, 25, a student in Beijing. "But I won't stop buying their products. Some enterprises like Apple in fact bring in tax revenues and employment. It's a brand that is doing good to China," he said.