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Amazon Echo Breaks Out in Fourth Quarter

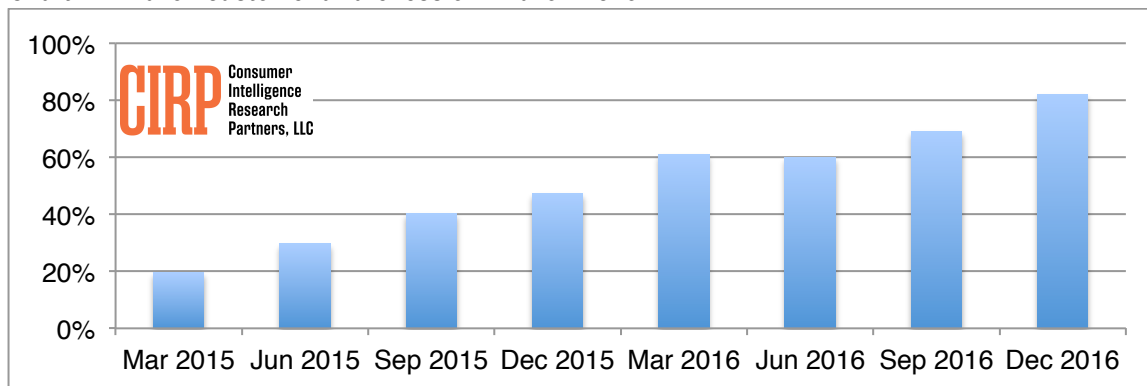
Estimate Over 8 Million Echo Homes in US, Alexa Has Multiple Uses

CHICAGO, IL – Monday, January 23, 2017 - Consumer Intelligence Research Partners, LLC (CIRP) released analysis of Amazon Echo from Amazon, Inc. (NASDAQ:AMZN).

This analysis indicates that 8.2 million US Amazon customers have an Amazon Echo devices, purchased since its late-2014 introduction. Awareness of Amazon Echo among US Amazon customers increased dramatically in the past twelve months, and Echo owners use it as a voice-responsive Internet query device and household controller, in addition to a high-end streaming music speaker.

CIRP estimates that among US Amazon customers, awareness of Amazon Echo increased to 82% as of December 31, 2016. It increased from 47% as of the same time one year ago (at December 31, 2015) and from 20% as of March 31, 2015, the first full quarter following its introduction (Chart 1).

Chart 1: Amazon customer awareness of Amazon Echo



“Amazon efforts to promote the expanded Echo product line appears to have paid off,” said Josh Lowitz, Partner and Co-Founder of CIRP. “With traditional media advertising and prominent placement at the Amazon.com website, Echo product awareness among Amazon customers continued its rapid ascent in the fourth quarter of 2016.”

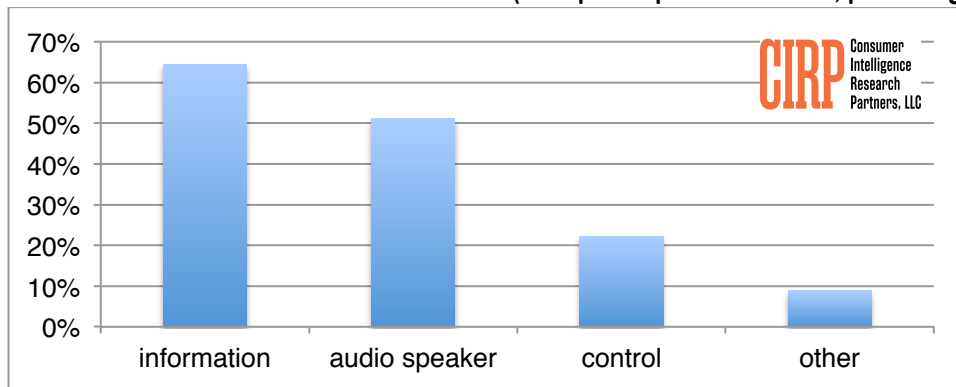
Based on our research, CIRP estimates that approximately 8.2 million US Amazon customers own an Amazon Echo device, including the original Echo, Echo Dot, and

Echo Tap. Based on the Echo ownership estimate, we also estimate Amazon sold approximately 3.1 million Echo devices in the US in the October-December 2016 period.

“The installed base of homes with Amazon Echo devices has grown dramatically, and close to tripled in the past twelve months,” said Mike Levin, Partner and Co-Founder of CIRP. “Amazon promoted Echo aggressively over the holiday shopping season, with especially aggressive pricing for the Echo Dot. The new models account for close to half of sales since Amazon introduced them earlier in 2016.”

Customers use Amazon Echo for many purposes, including playing music, answering questions, and controlling home systems, such as television, lighting, and HVAC. Two-thirds of Amazon customers report using it as an information provider responding to questions, and over 40% as a speaker for listening to streaming audio (Chart 2).

Chart 2: How consumers use Amazon Echo (multiple responses allowed, percentages sum to over 100%)



“More Echo owners use it as an information source than as a voice-controlled music device,” added Lowitz. “Amazon positioned Echo and the Alexa software as much more than a smart audio player. Amazon clearly wants it to become an Internet browser and even a home controller. Hundreds of third-party electronics, appliance, and even auto manufacturers now offer products that work with Alexa. Amazon wants Alexa to be the starting point for the move to connected-automated homes.”

CIRP bases its findings on surveys of 500 US subjects who made a purchase at Amazon.com in the period from October-December 2016. For additional information, please contact Mike Levin (mike@cirpllc.com) or Josh Lowitz (josh@cirpllc.com) at 312.344.3664. Further information on CIRP, which provides securities research to the investment community using advanced consumer market research strategies, methods, and techniques, is at www.cirpllc.com.

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