

What We Learned From Amazon's Big Hardware Announcements

Description

Amazon.com (NASDAQ: AMZN) held an event on Sept. 25, and it had some pretty big new releases ready. The company showed off 15 new products, and it gave tech investors a glimpse of where Amazon is headed.

Amazon's business is about more than just hardware, but last Wednesday's event made it clear that the company still sees a big role for hardware in its future.

Alexa is on the go

Amazon's Alexa has always had a fair bit in common with **Apple**'s Siri and **Alphabet**'s Google Assistant. But there were also differences in use cases. End users tend to use voice assistants on mobile devices, a trend that seems extremely likely to be driven by Google Assistant and Siri, since so many smartphones come with those services on board. Alexa has thus far lived primarily on devices for the home, most notably Amazon's Echo line of smart speakers.

Amazon's big hardware event included the unveiling of several products that promise to make Alexa more mobile. Wireless headphones (the Echo Buds), smart eyeglasses (Echo Frames), and smart jewelry (Echo Loop, a smart ring) will give Alexa a free-range future. It will still be tough for Alexa to compete with Siri and Google Assistant in areas like navigation, but getting users accustomed to have Alexa on the go should help give it a foothold outside of the home.

Getting framed

Of the on-the-go Alexa devices, the Echo Frames are easily the most interesting. They're extremely reminiscent of the infamous Google Glass, which had a rough public run and now exist only in an <u>Enterprise Edition.</u>. Still, Amazon seems ready to give smart eyeglasses another chance — a limited chance, anyway.

Like Google did, Amazon is starting with a pilot program of sorts. Echo Frames will initially be available

by invitation-only. They'll cost just \$179.99 by invitation and \$249.99 thereafter, a far cry from Google Glass' initial price of \$1,500 (though it's not yet clear if Amazon is selling its debut smart eyeglasses at a loss).

Amazon's Alexa experiments don't always have obvious near-term payoffs, and investors shouldn't expect to see many Echo Frames on the street anytime soon. Still, this program suggests that Amazon sees a future for smart eyeglasses. Joining the race now may make a big difference if and when they become useful enough to go mainstream.

Chef Alexa

Amazon is clearly interested in taking Alexa outside of the home to compete with on-the-go assistants like the iOS-native Siri. But the company is also making sure not to cede the home space to competitors like Google, which offers an Echo-like smart speaker in Google Home and which already supports some smart-home features.

One advantage for Alexa in the smart-home space is that Amazon sells its own smart appliances and other smart-home products. It offers smart clocks, for instance, as well as smart microwaves. The company's latest announcement included minor upgrades to some home goods and one big reveal: the Alexa smart oven. It's Amazon's newest, biggest, and priciest (\$249.99) smart-home device yet, though it's still a microwave-like countertop device rather than the sort of thing homeowners once bought at **Sears**.

Amazon seems to have a keen eye for where smart devices will be most useful: using a smart clock to set a timer or instructing a digital assistant to heat the oven for you both have a common-sense convenience that is lacking in, for instance, smart refrigerators that users can tweet from.

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