

Here's Why Amazon's Dash Button Wasn't a Failure

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Amazon retired its Dash button in early March, but the branded device's end wasn't a failure. We see it as a move to shift more replenishment buying into voice commerce.

"The Dash button seeded the idea for easy replenishment, which is now gaining traction through voice commerce," said eMarketer principal analyst Andrew Lipsman. "Ordering through Alexa provides the same benefit of a low-friction purchase without having to affix branded logos to every corner of the house."

Although consumers have historically purchased household and other CPG products in-store, our February 2019 forecast indicates that they are starting to move online. While their share of total online sales is still small, CPGs have excellent potential to be bought and reordered via voice. Unlike apparel, for example, they need to be replaced on a regular basis. They also don't require a visual display or deep research in the way electronics or auto parts do.

Retail Ecommerce Sales Growth, by Product Category

US, 2019, % change

Apparel & accessories	14.2%
Auto & parts	14.2%
Books music & video	14.1%
Computer & consumer electronics	14.0%
Food & beverage	18.2%
Furniture & home furnishings	15.1%
Health, personal care & beauty	16.3%
Office equipment & supplies	14.7%
Toys & hobby	15.4%
Other categories	15.8%

Source: eMarketer, February 2019

www.eMarketer.com

The boom in the subscription market also underscores consumers' enthusiasm for zero-touch reordering. Replenishment subscriptions for products like razors and vitamins make up 32% of all ecommerce subscriptions, according to February 2018 research from McKinsey & Company.

And while the opportunity is exciting for Amazon and third-party brands, voice commerce adoption will be an uphill battle. By the end of 2020, 11.0% of the US population will shop on a smart speaker, according to our latest forecast; 8.1% will buy something.

Amazon remains optimistic. In a statement to Geekwire, it said it's seeing customers "increasingly" use Alexa Voice Shopping and its Subscribe and Save feature.