



# FAST TAKE

Made by Google  
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The biggest highlights from the 4 October 2016 Made by Google Event and it's implications for marketers.

MADE BY GOOGLE EVENT, 4 OCTOBER 2016

The Made by Google Event, held in San Francisco on October 4, was greatly anticipated throughout the industry. This Fast Take covers Google's most important announcements and gives MEC's view on what they will mean for brands.

Many observers have suggested that the tech giants would soon start fighting against each other. On October 4<sup>th</sup>, it was Google's turn to take off the gloves. Google showed off their impressive array of consumer hardware, while also taking direct aim at Apple and Amazon.

### From Mobile First to AI First

Google announced confidently that the world was moving from Mobile First to **Artificial Intelligence (AI) First**. This was therefore the time to bring hardware and software together, with AI at the centre. What we saw from Google was a defining strategy that will weave all of their smart services into a range of desirable consumer devices.

Google already had the best answers, now it has competing hardware to surface all the questions.

At the heart of this strategy is the **Google Assistant** which utilises the most advanced machine learning capabilities, including Google's knowledge graph of 70 billion facts. Google envisages a future where the Assistant will be able to help consumers in any context from any device or surface. While search was built for everyone, Google claims the Assistant will be just for you, improving over time and giving everyone their "own personal Google".

If the Assistant is everywhere, then it needs to interact with your daily life, helping you at every point. From a hardware perspective, Google thinks it can cover this through the four elements phone, watch, car and home – and these four kept surfacing throughout the presentation. The October 4<sup>th</sup> event was focused on the phone and the home but we expect future announcements from Google around the watch and the car.

### Phones: Introducing Pixel

The new Pixel phones are the first devices with the Assistant baked in and they mark a significant shift in Google's approach to smartphones. The range will cost between £599/\$649 and £819/\$869 and are clearly designed to take on the iPhone – this includes the best smartphone camera ever made, unlimited high resolution photo/video storage and a switching tool to move over your iPhone in minutes. Unlike Google's Nexus smartphones, any semblance of affordability has now gone, meaning that consumers will have to look to Chinese manufacturers like Huawei, ZTE and Xiaomi for powerful specs at low prices.

The two Pixel smartphones are almost identical except for size, one with a 5" screen and the other at 5.5". In between some jokey digs at Apple, it was clear that Google has gone to town with these devices so it will be interesting to see whether Pixel can dent the almost impenetrable high-end iPhone market.

The hardware and software is there, but can Google get the marketing right?



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## Google Home

In the home, Google has decided to be even more aggressive, presenting a smart modular WiFi system that provides seamless coverage across your home, similar to the successful Eero product in the US. This forms the backbone for Google Home, the home based speaker system that contains the new Google Assistant.

Google Home is also modular and designed for a multi-room setup, putting it in direct competition with both Amazon Echo and Sonos. The high-end design and choice of colours make these modular units pleasing to the eye. However, in the future a consolidation of WiFi hub, speaker and Assistant would be a welcome move to prevent household clutter.

Google Home allows you to command music, questions, tasks and IOT devices from simple voice control. By updating the Chromecast to handle 4K streaming, it now allows you to command movies on any linked screen. Google Play movies and Netflix will be available this way together with other popular services like Spotify, Pandora, TuneIn and, of course, YouTube.

The US launch offer for Google Home is just \$129 with six months of YouTube Red bundled in. There was no mention of a UK launch at this time.

## The Daydream View VR headset

Linked to both phone and home, Google announced its eagerly expected virtual reality headset.

Believing that the current VR headsets have overlooked ergonomics, Google has created a comfortable, fabric based headset. Previous price points have proved to be a barrier to adoption but at just £69/\$79 the Daydream View headset is priced to take on the market.

Until now, consumer's choice of VR headsets has been limited. The high-end hardware is too expensive and requires a dedicated space that is excellent for experiential installations but inconvenient for home use. At the lower end, headsets are more accessible but there is limited content available. Daydream View's capabilities could solve this issue by the planned partnering with content publishers like Netflix and HBO, while also enabling the entire Street View and YouTube catalogue. Google wants its VR device to become a virtual personal theatre for users.

The real game changer in the Daydream View headset is the new remote control that enables users to fully control their VR experience. Equipped with a motion-sensor, the remote provides a very powerful way to navigate in VR, particularly in games and experiences.



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## Implications for brands

Google has made their intentions very clear with this hardware launch; it wants to control the Assistant ecosystem by providing useful 'surfaces' across consumers' lives. This has left Apple playing catch-up, but we expect Apple to bring a similar ecosystem to consumers in the future.

For brands, this feels like the early days of apps where everyone had to build for two competing operating systems – maybe three if you include Amazon Alexa.

Google has a competitive edge over other artificial intelligence systems like Amazon Alexa and Apple's Siri, and Google has opened up their ecosystem to brands and partnerships. As of today you can build direct actions (for example: "Turn on my lights") or conversation actions (like posing a question) into the Assistant. This is a similar approach to the skills that can be built for Amazon's Alexa.

Understandably there was no mention of advertising products within the Assistant ecosystem, but as we move from text based search to voice interaction, Google will need to find a way to maintain revenues in this space. Brands should start thinking about how they provide a great customer experience through voice, as exposure based advertising becomes less visible and relevant.



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