MOST INNOVATIVE COMPANIES

WHY SIRI IS APPLE'S MOST IMPORTANT FOOTNOTE

IN THE LAST THREE YEARS, SIRI HAS GONE FROM MARQUEE FEATURE TO AFTERTHOUGHT. HERE'S WHY IT'S STILL ONE OF THE MOST IMPORTANT OF APPLE'S TECHNOLOGIES—AND A POTENTIAL GOLDMINE.



BY SARAH KESSLER

Siri was once the belle of the ball. Sure, she didn't always respond when you summoned her. She decided to call you by the name ambulance instead of "calling you an ambulance," and she refused to complete basic tasks like adding contacts. But she sure was charming.

"I love you," we told her.

"All you need is love," she responded. "And your iPod."

Siri may have been most practical as a party trick, but by baking it into the iPhone, Apple gave smart speech control interfaces an endorsement. "It changed everybody's expectations about what is possible," says Gary Morgenthaler, an early Siri investor and board member. "[Voice-controlled digital personal assistants] went from being a space odyssey--'this is impossible' to 'why isn't it perfect?'" Todd Mozer, the CEO of a company that works with device manufacturers to create voice interfaces called Sensory, remembers the attitude toward speech interfaces seeming to change overnight. "You wouldn't believe the number of companies that suddenly were knocking on our doors and saying, 'we want to add speech recognition, we don't exactly know how, but we know we need to do it now," he says.

Siri changed the world. Then, she faded into the background. Microsoft, Google, and Amazon caught up (some would argue surpassed) Apple with their own versions of intelligent, voice-controlled digital assistants. Apple continued to pour resources into Siri by, for instance, acquiring speech recognition company Novauris last year, but its updates to the feature

were capabilities like movie information and social media posting--nice, but not really revolutionary.

Monday's Siri-related announcements at WWDC were also fairly quiet. But they hint at the feature's very big, very loud future potential.

With the feature's next iteration, users can Shazam a song and purchase it though iTunes--just by talking to Siri. Apple is using Siri to connect what users' iPhones *hear* to buying opportunities. Enabling transactions was actually the first plan for Siri, when it was still a startup. The app started out by helping users with basic tasks that didn't require financial transactions. Then, after it had "become such a trusted partner that you would feel comfortable entering your credit card information," Morgenthaler says, the plan was that "Siri could automate purchases." Of course, Apple acquired the company before it got to that point.

Apple already has credit card information for most of its 800 million iTunes accounts. For now, the only thing Siri can buy for you is a song through iTunes. But one day Siri could provide a seamless, instantaneous experience for other transactions, as well. Instead of opening an app and clicking a button when you want to order food for delivery, for example, you could just ask for it, as though you were speaking to a human assistant. And if Apple extends Siri's capabilities to its developers, those frictionless purchases would extend to Amazon, Facebook, and all of its third-party services--while giving Apple a cut.

Sound, in general, opens a whole new set of data around upon which marketing can be tailored. James McQuivey, a vice president and principal analyst at Forrester Research, imagined how voice capabilities--and their ability to collect new types of data--might play out for Amazon after it announced a gadget that adds items to shopping carts in response to commands spoken into a microphone. "In the long run, these microphones will do much more than accept dictation or product requests--they'll be set to continuous listening mode, and by listening to our daily patterns, they will generate deep insight into who we are and how we like to live our lives," he wrote last month.

"SPEECH IS STILL A LITTLE UNCERTAIN. AND WHEN IT COMES TO MONEY, PEOPLE WANT TO BE CERTAIN." McQuivey imagines, for example, that Amazon might recommend a book on how to talk to your teenagers after a microphone picks up an awkward interaction. "A service that knows you, anticipates your needs, and can sell you whatever you need to meet those needs, that's why embedding microphones into your life will enable the next big thing," McQuivey writes. "Whoever owns this service, owns the

customer, probably for life."

According to Monday's announcements, Siri now responds to "Hey, Siri" in the same way that Google Now responds to "Okay, Google." That's not quite the same as monitoring all sounds, but it puts Siri at the ready to accept new data from the environment without the user actually touching their phone. It's a first step, the one with which consumers are more likely to be comfortable.

The potential pervasiveness of a sound-directed interface like Siri was even clearer with the announcement of Apple's new smart home platform, HomeKit, which will allow users to control devices in their own homes using voice commands. "With Siri integration, you could say something like, 'Get ready for bed,' and be assured your garage door is closed, your door is locked, the thermostat is lowered, and your lights are dimmed," Apple's senior vice president of software engineering Craig Federighi said during Monday's event. If Siri's debut in the home is anything like her debut on the phone, there will surely be limitations. But unlike on the smartphone, it should be instantly clear why the feature is more than a party trick for HomeKit-or for Apple'slong-rumored smartwatch.

"When you talk about all these new types of devices that don't have keyboards, that you're not using when you're sitting at a desk, and they don't necessarily even have large displays on them, the only way you can convey detailed information back and forth, really, is voice," says Tim Tuttle, the founder of an intelligent assistance company called Expect Labs.

Though they offer lots of lucrative possibilities, speech interfaces aren't technologically ready to be money-makers yet. Though Siri is a feature that most iPhone users activate at least once a month, only about half of them say they are satisfied with it. "Speech is still a little uncertain," Morgenthaler says. "And when it comes to money, people want to be certain."

But the day they are certain, Tuttle argues, is coming soon. "It certainly wasn't ready two years ago, in a general use case, but with the improvements we've seen in the last six months it's very close, and there's a very good chance that within six months or a year, it will be surprisingly good," he says. "I think that enables a whole new set of use cases where people will consider using [speech] just because it's quicker and faster and saves them time."

Siri is going through some awkward years, as most of us do when we're growing up, but she may soon become an important part of Apple's business.