

Amazon Is Thinking About Charging Extra for AI Alexa

Amazon's Alexa unit has historically been unprofitable, losing billions of dollars since its introduction in 2014 – but AI could help turn things around.

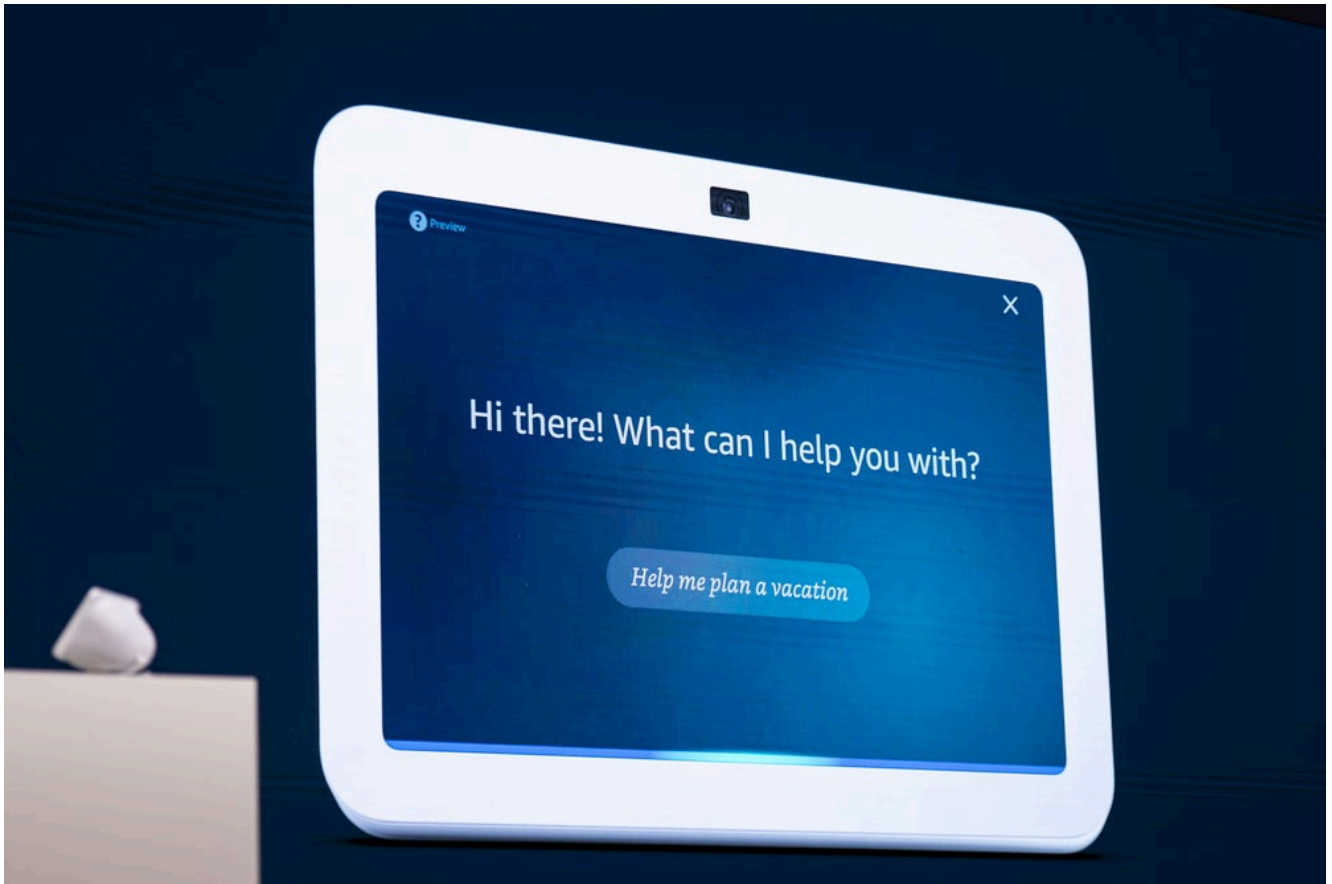
According to a Friday Reuters report citing eight sources “with direct knowledge” of Amazon's plans, including current and former Amazon employees who worked on the voice assistant, Amazon is considering putting a higher AI-powered Alexa behind a subscription paywall.

Amazon is currently working on upgrading the free version of Alexa to one with AI capabilities, per Reuters, and plans to add a higher, subscription level of the voice assistant that can process more complex AI prompts.

The two levels of Alexa are internally known as the “Remarkable Alexa” and the “Classic Alexa.” Sources told Reuters that Amazon has thought about a \$5 to \$10 per month subscription for “Remarkable Alexa” to differentiate the two.

“Classic Alexa” will remain free, according to the report.

If implemented, the subscription would be the first major reframing of the voice assistant since Amazon introduced it.



Amazon Echo Show 8 previewing new Alexa AI features. Credit: Al Drago/Bloomberg via Getty Images

Amazon's Echo smart home devices with Alexa have been surprise hits since they launched, but a 2022 BI report showed that even though they're bestsellers, most of them sold at cost.

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Amazon already previewed a generative AI version of Alexa in September and showed off how the voice assistant could talk with more personality and take in more context.

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Amazon stated then that it had sold more than half a billion devices with Alexa and that AI features "will be available to Alexa customers in the U.S. soon."

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