

Innovation that Sells: Taking AI Devices from Hype to Habit

 accenture



Consumer technology companies are launching AI devices at breakneck speed, but risk losing their consumer base in a crowded market. Here's how to cut through the noise and engage them.



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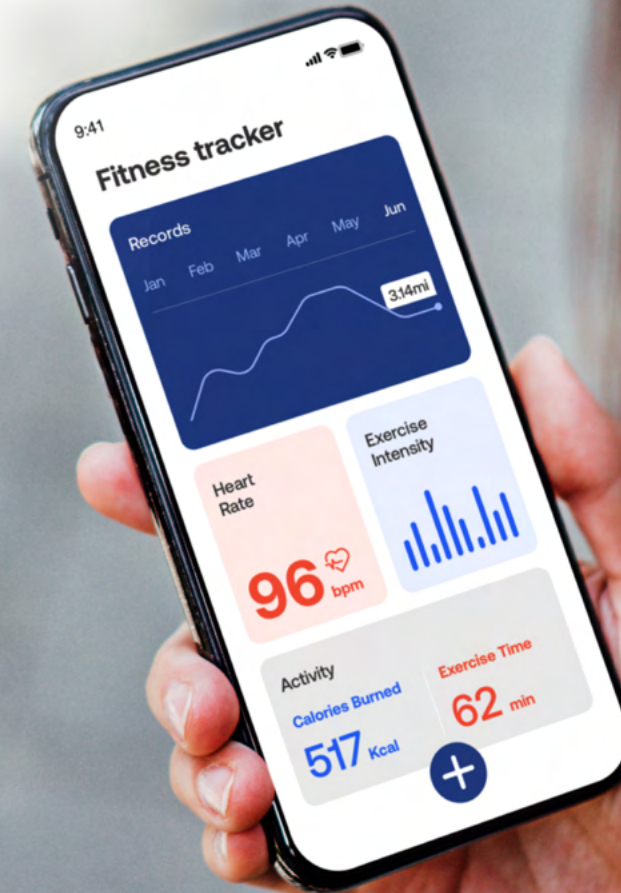


Section 1

The AI revolution and the consumer engagement gap



The consumer technology industry has long been a trailblazer, delivering groundbreaking products that consumers never knew they needed, yet quickly found indispensable. AI-powered devices, however, are proving a surprisingly tough sell. Why? There's a significant disconnect between the bold promises of AI-integrated offerings and the value consumers actually perceive.



Consumer technology companies have gone all in on artificial intelligence (AI) and generative AI (gen AI), blending bold innovation with big promises. Their press releases herald new device features as “revolutionary,” “transformative” and “customized.” And their enthusiasm is contagious, fueling optimistic sales forecasts.

“Gartner forecasts AI PCs will represent 43% of all PC shipments by 2025, up from 17% in 2024. The demand for AI laptops is projected to be higher than that of AI desktops, with shipments of AI laptops to account for 51% of total laptops in 2025.”¹ And, over the next five years, IDC forecasts 912 million gen AI smartphone shipments at a 5-year CAGR of 78.4%.²

Yet, all the excitement isn’t yet translating into meaningful results.

“Worldwide PC shipments totaled 62.9 million units in the third quarter of 2024, a 1.3% decline from the third quarter of 2023, according to preliminary results by Gartner, Inc.”³ and the smartphone market continues to see modest recovery as growth remains uneven among vendors.⁴

Why isn't the hype converting into sales? While AI's potential to reimagine product design and elevate user experiences to unprecedented levels is undeniable, consumers are struggling to see how these innovations will fit into their daily lives. There's an engagement gap—a disconnect between the promise of the new generation of products and the value customers perceive. With Wall Street baking an "AI premium" into many consumer technology stocks, it's a gap that companies need to close quickly.

Explaining the engagement gap

Engagement is equal to company alignment with consumer demand plus device adoption, set to the power of sales. The engagement gap is the difference in engagement between a company having fully aligned with consumers and having only partial or no alignment.

Engagement

is the function of consumer adoption plus expectations, raised to the power of sales.

$$E = f (\text{adoption} + \text{expectations})^{\text{sales}}$$

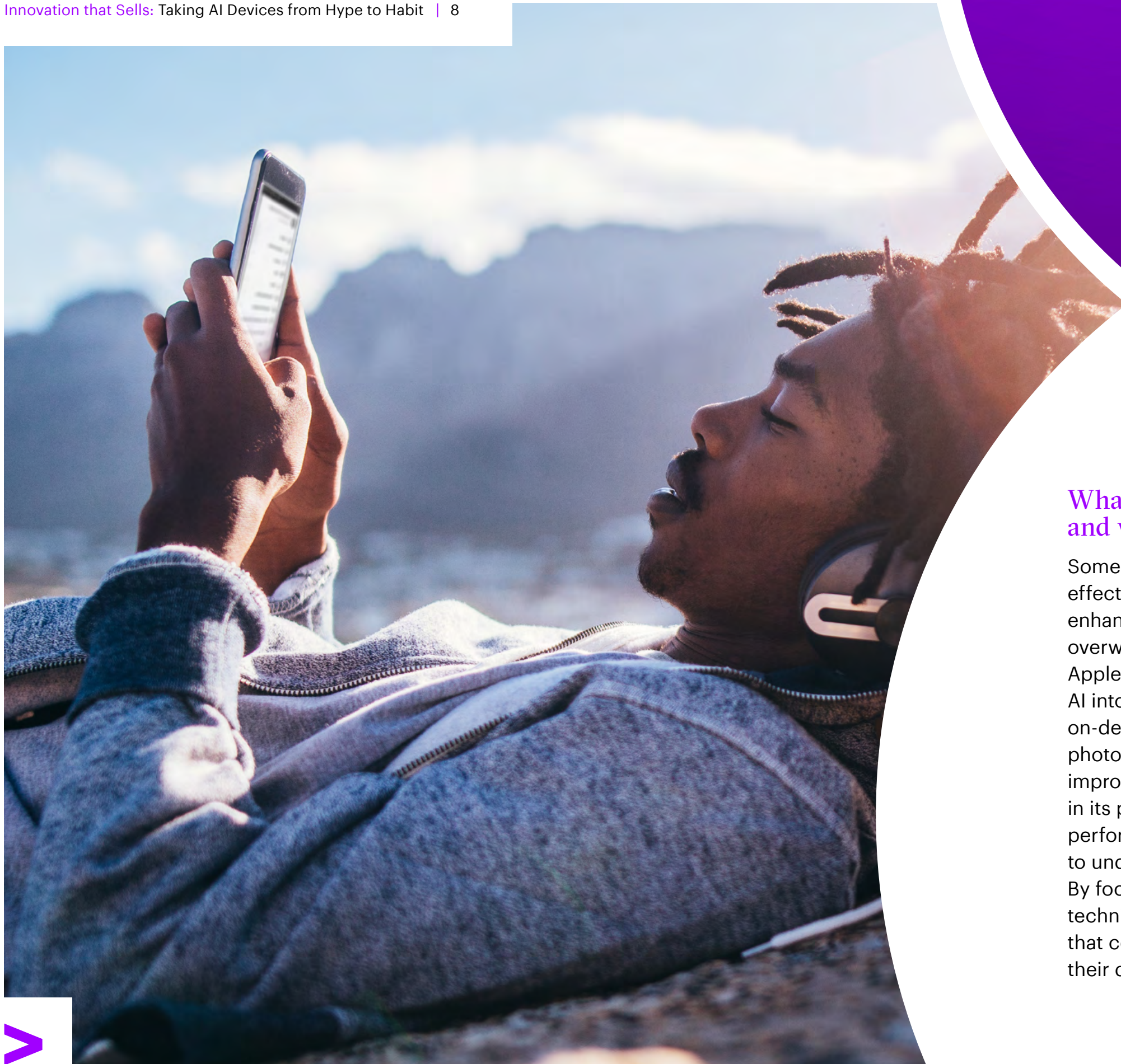
Adoption = Habits

How often consumers use the device after they buy it.

Expectations:

How the device meets promises and continues to surprise and delight.





To succeed, companies should go back to basics—designing and marketing technology for consumers, not at them.

What companies are doing right—and wrong

Some companies are bridging this gap effectively by integrating AI in ways that enhance the user experience without overwhelming or confusing consumers. Apple, for instance, subtly incorporates AI into its products. Features such as on-device machine learning enhance photo organization, Siri suggestions improve over time and the Neural Engine in its processors powers smoother performance—all without requiring users to understand the underlying technology.⁵ By focusing on tangible benefits over technical specifications, Apple ensures that consumers feel the improvements in their daily use.

On the flip side, other companies have stumbled by overhyping AI capabilities without delivering noticeable benefits. A scan of different types of reviews—from phones to printers and PCs—seems to highlight a compromise between new software-driven capabilities and hardware that hasn't kept pace. New features and functionalities often come at a cost, potentially compromising battery life, speaker quality or keyboard performance. This leads to disappointment that erodes trust, as consumers feel misled by big promises that don't materialize in real-world usage.



Section 2

Bridging the engagement gap



This means aligning with consumers across five key points:

01

Securing broad appeal:

Understand what consumers value to deliver products that feel uniquely tailored yet resonate widely.

02

Simplifying complexity:

Ensure AI integrations make devices easier to use, not more complicated.

03

Surprising and delighting with user-centric design:

Prioritize features that offer clear, tangible benefits in daily life.

04

Crafting marketing that's transparent and relatable:

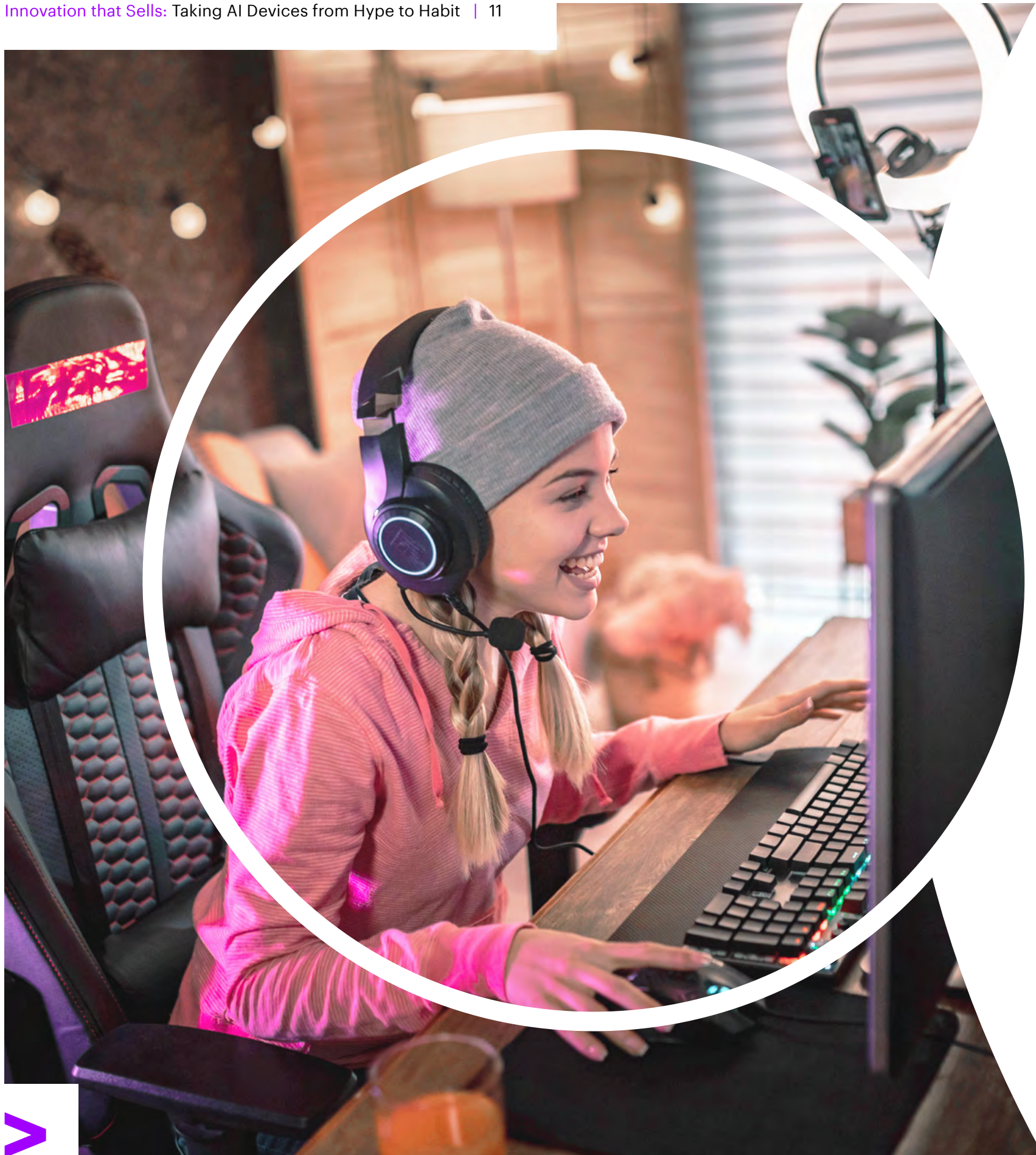
Communicate how AI features enrich life without resorting to hype or technical jargon.

05

Building trust into a competitive edge:

Proactively address privacy and security concerns to build lasting consumer confidence.





Alignment 1

Secure broad appeal by defining what “good” looks like.

Many products are presented as “game-changers,” yet companies often fail to articulate how they simplify or enhance daily life.

What do companies find challenging?

Too often, innovations lack clear consumer benefit and appeal. For instance, some augmented- and virtual-reality devices launch with great fanfare, promising immersive experiences that will redefine entertainment, education and work. However, they often struggle to move beyond niche entertainment use cases, limiting their broader appeal. Consumers may be intrigued by the technology but are left wondering how it fits into their routines.



How companies and consumers align

Consumers have different needs and definitions of “value,” making it a challenge for consumer technology companies to balance broad appeal with individual relevance. The solution? Defining “good” as something that feels uniquely tailored to each consumer while resonating widely. This might mean focusing on ease of use, sustainability, affordability or other factors that matter most to consumers.

Generative AI can make a real difference by helping companies simulate real-world use cases and uncover what consumers truly value. By integrating diverse data sources—such as transactional data (for example, purchase histories), behavioral insights and direct feedback—and processing them with AI, companies can identify unmet needs and preferences. When a company has a strong [digital core](#), it can then feed these insights easily into iterative design and marketing strategies, rapidly developing and scaling products that resonate with both individual users and broader markets.

[Uber provides an example of this alignment in practice.](#) The company developed a hyper-personalized ad platform that matches advertisers with users at meaningful moments, enhancing both engagement and relevance. This strategy leveraged Uber’s ability to effectively integrate consumer data to reach them at precisely the right time. Uber was intentional in its consumer-first approach, they knew they could win ad revenue and maintain strong consumer satisfaction.⁶

Market success:

Nintendo's Switch console successfully integrated innovative technology with clear consumer benefits. By offering a hybrid gaming experience—seamlessly transitioning from handheld to console—the Switch addressed a real consumer need for flexible gaming options, leading to widespread adoption.⁷





Alignment 2

Simplify complexity to make desired features user-friendly.

Complex new technologies may be exciting for businesses to bring to market, but they often prove confusing for the average consumer.

What do companies find challenging?

Devices boasting enhanced experiences are too often marketed on their technical sophistication, assuming consumers will be immediately receptive. Yet, a significant portion of consumers—20.4% per YouGov data—prefer a cautious approach, waiting until technology has been available for a while before purchasing.⁸ Premium pricing further limits adoption for "smart" devices, especially when consumers are uncertain about the added value.



How companies and consumers align

Features that simplify the consumer experience—interoperability, for example—are most impactful when they address what consumers really care about. Consider Matter, a standardized framework developed by tech majors to ensure their smart devices work seamlessly across brands. This collaboration aims to solve a key problem: consumer frustration with incompatible smart devices. However, as of December 2024, not all manufacturers or platforms had adopted or support the standard, highlighting a gap between potential and execution.⁹

The “green text bubble” issues between Android and iOS users further highlights how interoperability—or the lack thereof—can lead to deep divides in consumer value and even influence security.¹⁰ Companies need to weigh whether the added cost of such functionalities delivers meaningful benefits.

Complexity is a cost, and the solution requires tapping into real-time insights. Again a robust digital core is the key to the solution. It enables companies to consolidate diverse data sources, such as user preferences, purchase histories and behavioral patterns, and render actionable insights. These insights provide a clear view of what consumers value most, guiding early-stage design decisions. Drawing on this data, companies can prioritize features—such as easier setup, voice controls or energy efficiency—that enhance everyday experiences without adding unnecessary complexity.

Market hurdle:

Some smart refrigerators equipped with AI and touchscreens promise to manage grocery lists, suggest recipes and even order food automatically. However, the high cost and perceived unnecessary complexity may deter many consumers, who don't see sufficient benefit over “traditional” models.





Alignment 3

Surprise and delight with disruptive, user-centric innovation.

Companies are unveiling disruptive innovations, but to win over cautious consumers, they must build to real-world needs and deliver truly user-centric experiences.

What do companies find challenging?

Devices are often positioned as futuristic and groundbreaking, but companies struggle to connect these innovations to practical, everyday use. Only 13% of consumers are eager to adopt new technology at launch, as many products fail to clearly communicate their value.¹¹ The lack of standardization across features also leaves consumers confused, hesitant and ultimately disengaged. To succeed, companies must prioritize intuitive design and real-world needs, ensuring their innovations fit seamlessly into daily life.



How companies and consumers align

Innovation should disrupt, but it must also revolve around the consumer experience. Ray-Ban Meta glasses, a collaboration between Ray-Ban and Meta, managed to balance familiarity with innovation. They started with a design consumers already understood—glasses frames—and enhanced it with intuitive features like built-in cameras and audio, delivering an experience that felt both evolutionary and revolutionary.¹² Regular software updates have further enhanced its functionality, creating a product that continues to surprise and delight.

Ray-Ban and Meta prioritized real-world needs, leveraging data and analytics to create a product that bridged the gap between novelty and practicality. This user-centric approach informed everything: intuitive design, appropriate pricing and effective ad marketing. Sales are following as well: more than 700,000 pairs shipped and they're the top selling glasses brand in 60% of all EMEA Ray-Ban stores.^{13,14}

And the lesson? Successful innovation makes even the disruptive feel natural.

Market success:

Whoop reinvented home fitness by integrating AI and data analytics to offer personalized workout experiences. By understanding user preferences and performance data, Whoop delivers tailored content that keeps users engaged and motivated as they track their fitness through its devices.¹⁵





Alignment 4

Market in a transparent and relatable way.

Companies often overpromise with new tech, leading to confusion and a disconnect from consumers' experiences—causing many to skip adopting it altogether.

What do companies find challenging?

In the race to appear revolutionary, companies sometimes overpromise and underdeliver. Worse, they risk neglecting the human experience of using new technology in their everyday lives. A staggering 71% of consumers report being confused by the terminology used to explain features or benefits.¹⁶ This confusion leads some consumers to abandon overly complex products in favor of simpler alternatives—like "dumbphones" that offer distraction-free, low-cost communication.



Our [2025 Life Trends report](#) highlights how consumers are already taking the lead, rebalancing their relationship with technology—by adapting devices to their own use.¹⁷ Almost one in three (31%) respondents said they modified a tech device (such as a laptop, smartphone, car or home appliance) to extend its lifespan, improve its performance or repurpose it.¹⁸

For companies, this trend is a goldmine of insights, revealing how products are used—and where they fall short. We see this most in emerging markets, where product innovation thrives at the intersection of creativity and ingenuity.

How companies and consumers align

The most effective marketing doesn't just sell a product; it sparks an emotional connection, making consumers think, "I need this in my life." Samsung UK accomplished this by uniting its AI-powered smart home products under a relatable theme. Using insights about common "household squabbles"—such as family members not turning off lights or leaving things on the floor—the campaign showcased how AI-powered devices used smart sensors and automation to resolve these issues. By positioning AI as a household peacekeeper, Samsung highlighted its role in bringing balance to modern family life.¹⁹

This simple but emotionally resonant narrative not only showcased the practicality of Samsung's products but also forged a deeper connection with consumers. As highlighted in our 2025 Life Trends report, brands today need to go beyond digital interactions to deliver real-world joy as part of their promise.²⁰ Authenticity and emotional depth—qualities often overlooked—are becoming essential as devices evolve from tools to extensions of our daily lives. Data and AI can find out what consumers want, but they don't always capture how they feel. Storytelling bridges that gap.

Market hurdle:

Humane's AI Pin was promoted as a groundbreaking hands-free personal assistant, capable of projecting information directly onto the user's palm. However, its ambition fell short when early testers found it unintuitive and frustrating, with promises outpacing the current state of technology.²¹





Alignment 5

Make trust your competitive edge.

With the next generation of devices relying even more on consumer data, companies must prepare for a future where trust defines their competitive advantage.

What do companies find challenging?

As devices become more connected and data-driven, they create a massive influx of personal data, escalating cybersecurity risks. Yet many companies fail to prioritize security and privacy effectively, undermining consumer confidence. With only 39% of consumers trusting companies to act with good intentions and 43% trusting them to make honest claims, robust and visible security measures are essential.²² Without them, consumers will hesitate to adopt new technologies.



How companies and consumers align

Leading companies are embedding AI and generative AI into flagship devices, but their success depends on a critical factor: trust. Consumers now demand not only clear, tangible benefits but also robust cybersecurity. Without practical value and visible safeguards, even the most advanced devices risk being dismissed as optional conveniences rather than necessities.

To win in the next generation of data-driven devices, companies must address two priorities: meeting real consumer needs and embedding trust through uncompromising cybersecurity. With the average US household owning around 25 connected devices, strong cybersecurity measures are non-negotiable.²³ Major tech companies have committed to supporting a federal initiative designed to enhance cybersecurity standards, which is nearing launch as the Federal Communications Commission works to establish the program.²⁴

Further, essential devices like smartphones, computers, routers and certain medical equipment remain outside the program's scope, leaving systemic gaps that undermine consumer confidence.²⁵ Swift and effective implementation of these cybersecurity practices is vital to safeguarding consumers and fostering trust.

However, security alone isn't enough. Companies need to effectively communicate and market their commitment to safeguarding user data. They have strong incentives to adopt a proactive approach: It can solidify consumer trust, drive differentiation in a competitive market and strengthen their brand reputation. Trust, when prioritized and marketed effectively, becomes more than a reassurance; it turns into a competitive edge and a key driver of adoption.

Market success:

Apple's commitment to privacy has become a huge competitive advantage. Their marketing emphasizes how they safeguard users' privacy with transparent data usage and features like on-device processing. This strong focus on security builds trust with consumers who are increasingly concerned about data risks, setting Apple apart in a crowded market.²⁶



Section 3

**The road ahead:
Redefining
success in the
AI era**



In the consumer technology industry, innovation is a necessity, a promise and a challenge.

Innovation unlocks transformative opportunities, but moving too fast risks leaving consumers behind—alienated by unmet expectations and overwhelmed by change. The cost can be steep: product failures, missed targets and eroded trust.

However, when innovation is guided by empathy and a deep understanding of consumer needs, it builds lasting loyalty, drives sustainable growth and delivers life-changing solutions. We believe aligning across the five key points outlined in this paper is key to closing the engagement gap and driving the most value from the new lines of AI-powered devices. The path is challenging, but the rewards—creating technology that truly resonates—are worth the effort.



Turn AI hype into habit by
keeping a customer-centric focus,
simplifying complexity and
building trust.



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