MENLO VENTURES

2025: The State of Consumer AI

June 26, 2025 — [Shawn Carolan](#), [Amy Martin](#), [C.C. Gong](#), and [Sam Borja](#) with Claude Sonnet 4

AI's Consumer Tipping Point Has Arrived

More than half of American adults (**61%**) have used AI in the past six months, and nearly **one in five** rely on it every day. Scaled globally, that translates to **1.7–1.8 billion** people who have used AI tools, with **500–600 million** engaging daily.[1] This is no longer experimentation; it's habit formation at an unprecedented scale.

Beneath the hype, real usage patterns are more nuanced than expected. They expose hidden gaps and huge opportunities for founders building the next generation of consumer AI products. In this report, based on a survey of over 5,000 U.S. adults,[2] we unpack what's fueling this adoption, where value is leaking, and how the smartest companies can capture it—revealing the driving forces behind the consumer AI revolution.

AI Adoption Among U.S. Adults

61%
of U.S. adults have
used AI in the past six months

19%
of U.S. adults
interact with AI daily
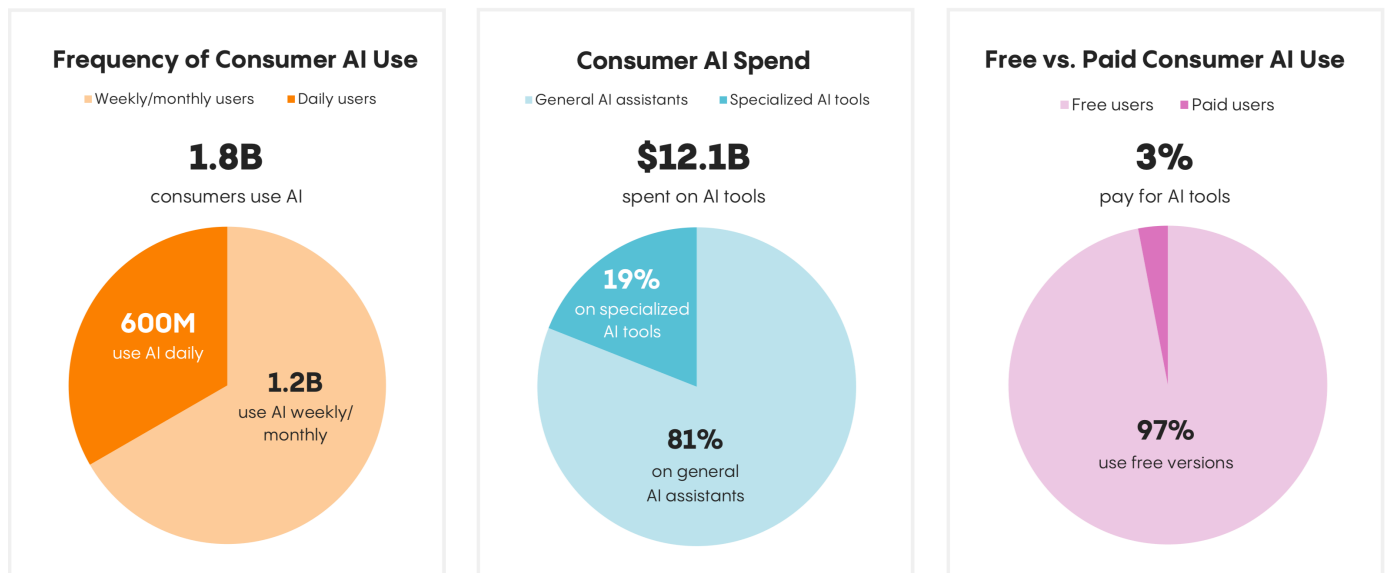
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1. Based on our survey's adoption rates, we estimate there are approximately **1.7–1.8 billion** global AI users today. While **61%** of U.S. adults report using AI in the past six months, the global estimate adjusts downward to account for differences in internet access, age distribution, and regional adoption rates—recognizing that the U.S. currently leads much of the world in AI engagement relative to population size.

2. In April 2025, Menlo Ventures partnered with Morning Consult to conduct a survey of **5,031 U.S. adults**. The sample is nationally representative, with weights applied for education, gender, age, race/ethnicity, and region. The survey explores how consumers have used AI and other tools to complete specific activities in the past six months, along with their attitudes toward the technology.

A $12 Billion Market Built in 2.5 Years

This rapid adoption drives real dollars: In the two and a half years since OpenAI's ChatGPT introduced the public to generative AI, consumer AI has become a multibillion-dollar market.

How Big Is Consumer AI?

A global look at usage, spending, and where the money goes

Frequency of Consumer AI Use
- Weekly/monthly users
- Daily users

1.8B
consumers use AI

- 600M use AI daily
- 1.2B use AI weekly/monthly

Consumer AI Spend
- General AI assistants
- Specialized AI tools

$12.1B
spent on AI tools

- 19% on specialized AI tools
- 81% on general AI assistants

Free vs. Paid Consumer AI Use
- Free users
- Paid users

3%
pay for AI tools

- 97% use free versions

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Nearly two billion people use AI, but spending lags at $12 billion, highlighting a massive opportunity for specialized tools to unlock more value.

When we do the math, **1.8 billion users** at an average monthly subscription cost of **$20** per month equals **$432 billion** a year; today's **$12 billion** market indicates that only about **3%** pay for premium services—a strikingly low conversion rate and one of the largest and fastest-emerging monetization gaps in recent consumer tech history.[3] Even ChatGPT, with its first-mover advantage, only converts about **5%** of its weekly active users into paying subscribers.[4] This gap between usage and payment represents a major opportunity.

For context, Menlo Ventures' 2024: State of Generative AI in the Enterprise report found that enterprise AI spend reached **$13.8 billion** in 2024—a more than **6x** increase from the prior year. But we believe consumer AI will

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3. For comparison, Facebook took roughly five years post-launch to reach significant ad revenue ($777M in 2009 with ~360M users), translating to ~$2/user annually. Twitter had over 200 million users before it reached $1 billion in annual revenue in 2014 (eight years in). Google AdWords took four years to reach $1 billion in revenue. Mobile app stores (Apple App Store, Google Play) took three to four years to drive meaningful consumer spend. Consumer AI, by contrast, reached 1.7–1.8B users in just 2.5 years—with only ~3% paying—highlighting both the scale and velocity of the current monetization gap.

4. Estimate based on OpenAI's reported $10 billion annual revenue run rate and approximately 800 million monthly active users. Assumes a ChatGPT Plus subscription price of $20/month ($240/year), implying roughly 5% of users pay for premium access.

close the gap with broader reach and faster adoption, catching up to enterprise AI in both usage and total revenue generated.

With nearly two-thirds of Americans reporting they've used AI, we wanted to know, who are the drivers of adoption? The answer challenges conventional wisdom about digital natives and early adopters.

Who's Using AI? The Stats May Surprise You

AI Adoption Spans All Generations, With Some Unexpected Patterns

While Gen Z (ages 18-28) leads overall AI adoption as expected, Millennials (ages 29-44) emerge as power users, reporting more daily usage—flipping the typical "younger = higher usage" pattern. But AI is not just a young person's game: Nearly half (**45%**) of Baby Boomers (ages 61-79) have used AI in the past six months, with **11%** using it daily.

Who's Using AI?

Across generations, AI adoption is broad—**19%** of those aged **18–79** have made it a **daily** habit

Usage Spans Every Generation as AI Goes Mainstream

■ Daily AI users ■ AI users
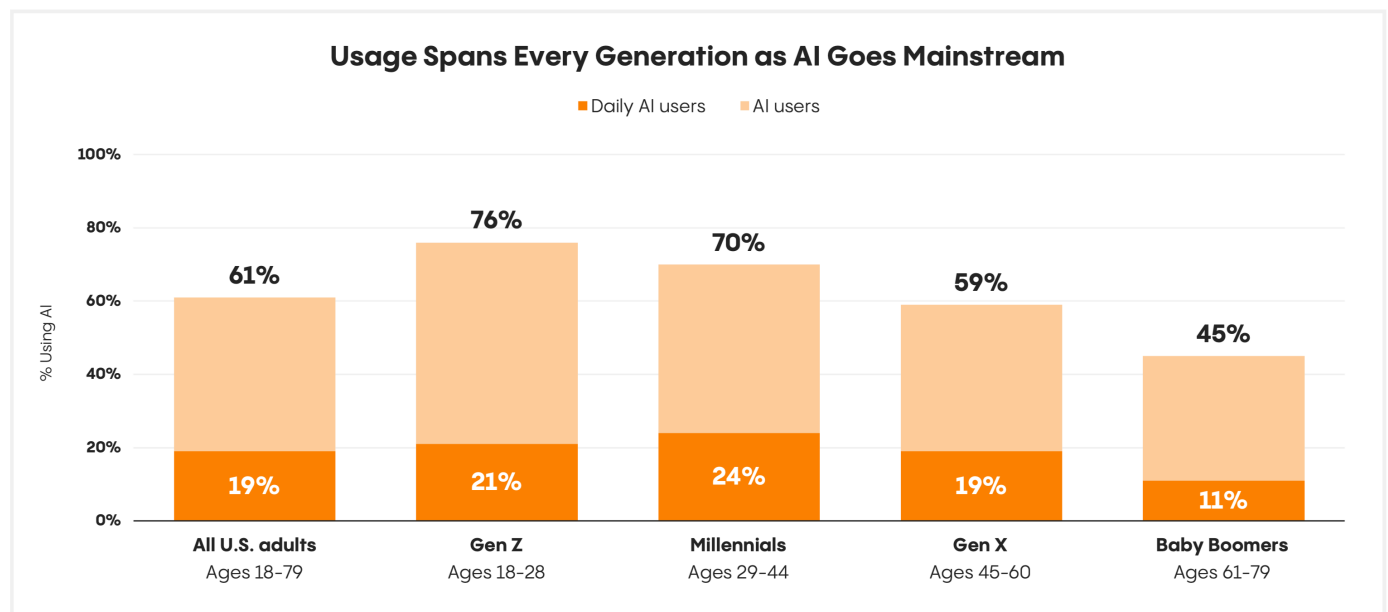
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Daily AI users demonstrate deep engagement and habitual use. Overall, AI users (those who have used AI in the last six months) highlight both broad reach and high awareness. Millennials are most likely to use AI daily, but AI's true reach shows in the fact that nearly half of Boomers use AI.

Work and School Fuel Everyday Adoption

It's hardly surprising AI adoption spikes among students and those who work. According to our survey:

- **75% of employed adults** use AI, compared to **52%** of unemployed adults;

- Higher income amplifies this: **74%** of households earning $100,000+ annually use AI vs. **53%** of households earning under $50,000, highlighting a familiar income-based digital divide;

- **85%** of students (18 and older) report using AI—the highest rate of any group we measured.

AI Usage by Employment Status + Income

■ AI users ■ Daily AI users

AI Usage by Employment Status

AI Usage by Income
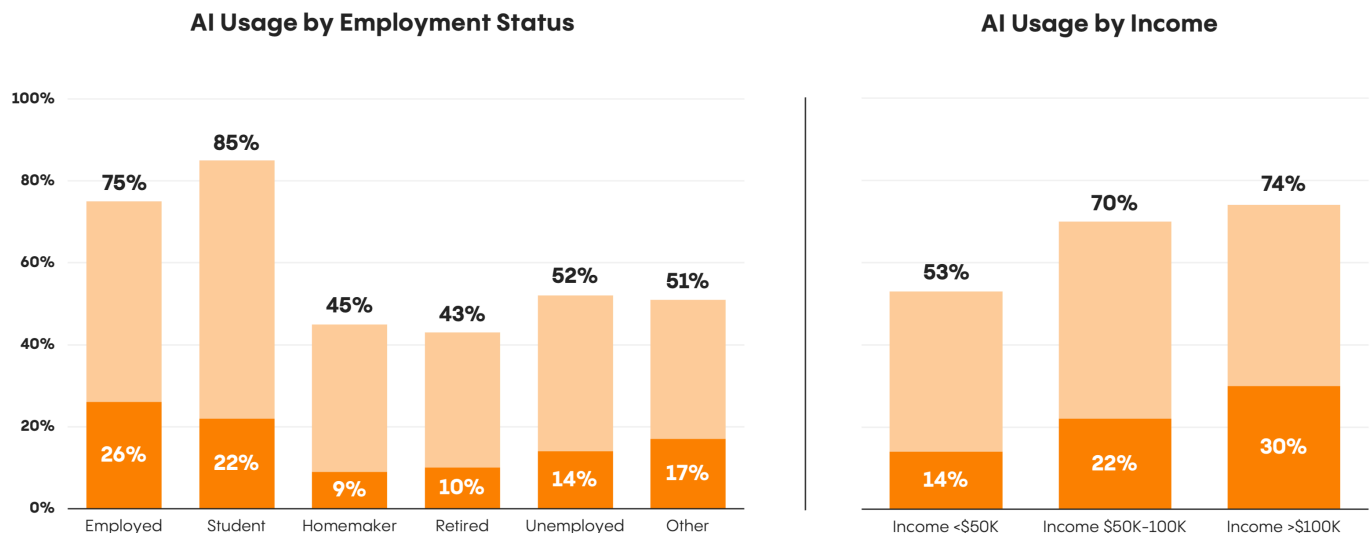
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AI usage skews highest among students, employed adults, and higher-income households.

Parents: The Unexpected Power Users

One of the most surprising findings? Parents are among the most engaged AI users, turning to AI for everyday help.

Among parents with children under the age of 18:

- The vast majority of parents (**79%**) have used AI compared to **54%** of non-parents;

- **29%** report using AI every day, nearly twice the rate (**1.9x**) of non-parents (**15%**);

- Top use cases: **34%** for managing childcare, **28%** for researching topics of interest, **26%** taking and organizing notes;

- Millennial parents rank highest: They make up **53%** of parents with kids under 18 and are more likely to be working, earning higher incomes.

Parents: The Surprising Power Users of AI

AI Adoption: Parents vs. Non-Parents

- Daily AI users ■ AI users

Parents — 29% / 79%

Non-parents — 15% / 54%

0% 20% 40% 60% 80% 100%
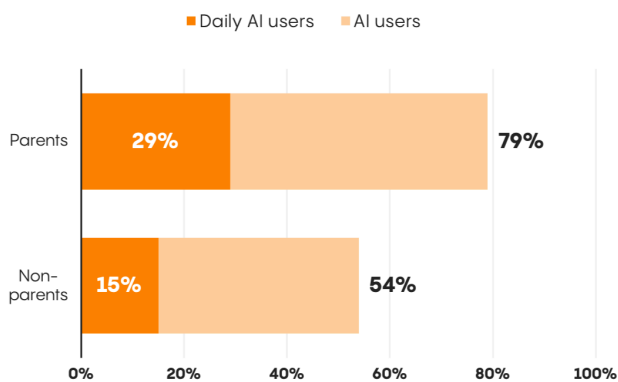
1.9x Parents use AI daily at nearly **twice the rate** of non-parents

The Millennial Parent Sweet Spot

53% of all parents are Millennials, and they show the highest engagement

81%
AI adoption by **Millennial parents**

59%
AI adoption by **Millennial non-parents**

Parents
Using AI for complex, frequent tasks

Employed
Millennials are in their prime working years

High Earners
Affluence is driving AI usage

How Parents Use AI: Solving Real Problems

34% Use it for **childcare planning** + logistics

28% Learning/understanding **new topics**

26% Taking and organizing **notes**

AI Usage Among Parents, by Age of Children

Parents of teens rely on AI the most for managing childcare

45% — Children aged 13+
36% — Children aged 5-13
29% — Children under 5
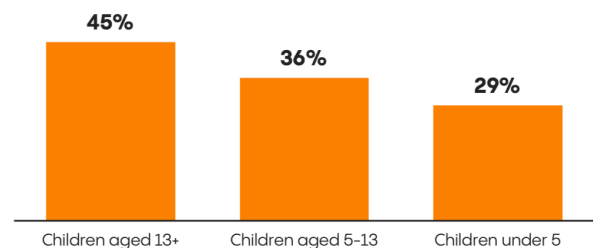
AI adoption is atypical: Our research revealed that parents are nearly twice as likely as non-parents to use AI, with usage increasing as children grow, demonstrating that life complexity drives deeper adoption.

> ❝I use AI all the time. We use it to make packing lists for my kids when we travel.”
>
> —**44-year-old working mom with children in primary school**

> ❝I used it for planning a scavenger hunt on Easter.”
>
> —**34-year-old stay-at-home mother of two**

The Complexity Curve: AI Use Increases as Children Grow

Interestingly, AI usage among parents increases as their children get older, reflecting added family complexity and responsibilities:

- Nearly half (**45%**) of parents with children over 13 use AI;
- More than a third (**36%**) with children aged 5-13 use AI;
- Nearly a third (**29%**) of parents with children under 5 use AI.

> ❝When I'm feeling uninspired, I use AI for meal planning and ideas for packed lunch.”
>
> —**38-year-old working mom of teen**

> ❝I use AI to help my daughter when she struggles with math concepts. It gives me tricks to help her remember rules and formulas, and sometimes we use it to create practice tests with answer keys based on the worksheets she brings home so that she can prepare for tests.”
>
> —**51-year-old working mom of teen**

Takeaway: The adoption patterns we see among parents show that consumer AI adoption follows life-stage complexity more than just age or income. This points to an adoption curve shaped by high-friction "life moments" that savvy companies can target as wedges to build lasting habits.
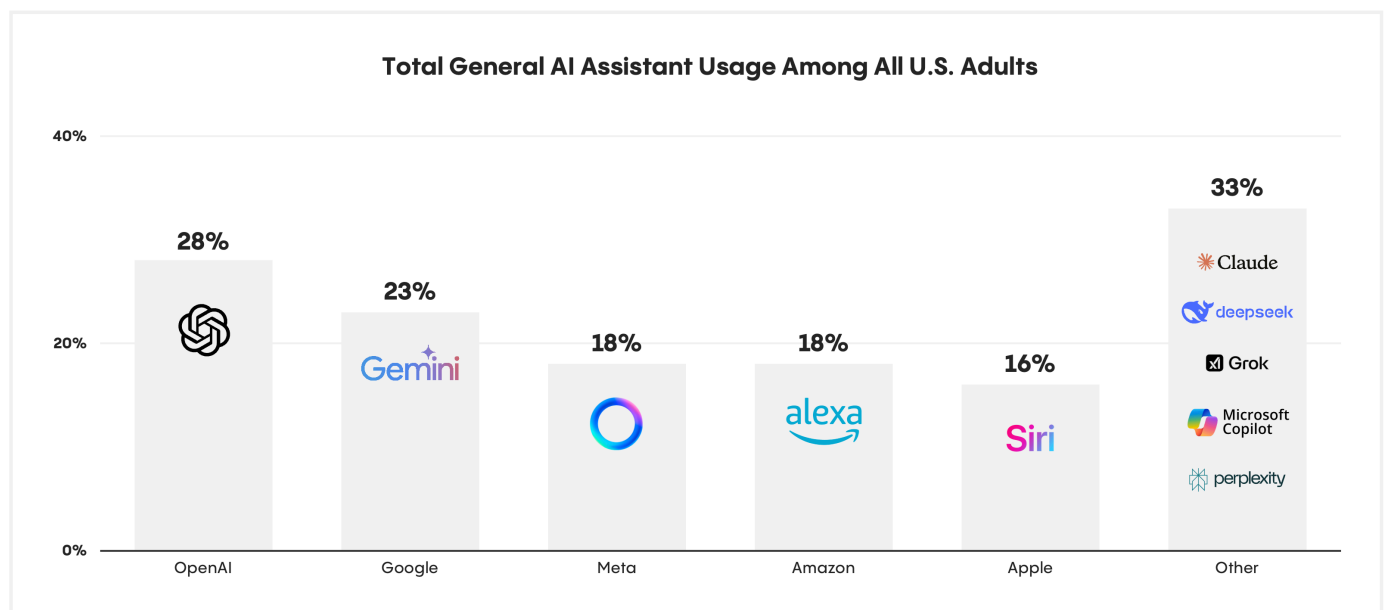
The Utilitarian Truth Behind the Numbers

Routine Tasks → Small Wins → Compounding Value. This pattern is consistent across our power users who turn to AI because it makes life easier. This validates Menlo Ventures' "utilitarian consumer" thesis: People adopt tools that help them do what they already need to do, but in a better, faster, cheaper way.

The broad appeal of AI is striking: millions of people, across all demographics, applying it to nearly every aspect of daily life. Beneath this diversity is a remarkably consistent behavior pattern, making AI the most broadly utilitarian new technology we've seen in years.

The Default Tool Dynamic: Consumers Choose Convenience Over Specialization

When we asked people which AI tools they use, one trend was unmistakable: Most stick with familiar general AI assistants for almost every task, despite countless specialized apps to choose from. Consumers typically test their preferred general AI tool first—no matter the task—and only look for alternatives when it comes up short. Driven by this "default behavior," generalist platforms dominate: **91% of AI users** reach for their favorite general AI tool for nearly every job. About a quarter of Americans report using ChatGPT (**28%**) or Google Gemini (**23%**) in the past six months, indicating that consumer adoption today is largely driven by embedded products with existing distribution.[5]

The AI Assistants Consumers Reach for First

Total General AI Assistant Usage Among All U.S. Adults

28% OpenAI	**23%** Google	**18%** Meta	**18%** Amazon	**16%** Apple	**33%** Other (Claude, deepseek, Grok, Microsoft Copilot, perplexity)

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First-mover advantage and built-in distribution are currently driving market share. The market is still in its early innings, with plenty of room for innovation. Interestingly, most AI consumers don't distinguish between technologies; they lump voice assistants, LLMs, and algorithms into the same "AI" bucket. This drives broad usage, fueled more by habit and convenience than by concern for technology under the hood.

While ChatGPT leads today in consumer usage, that position is not guaranteed. The consumer market for LLMs is still nascent and far from saturated, leaving ample room for product innovation to shift market share over time.

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5. Gemini is embedded into the Google Chrome browser and Gmail.

Challengers are moving fast: Anthropic's* Claude Opus 4 outperforms OpenAI's GPT-4.1 on many reasoning and factuality benchmarks, making it a preferred choice for enterprises, while Google's Gemini 1.5 models boast massive context lengths of up to one million tokens, an area where ChatGPT's consumer version still lags. Other players like Perplexity have gained traction by chipping into the AI search niche once synonymous with ChatGPT. And in specific consumer use cases like coding, Claude Code is becoming the runaway market leader compared to other LLM providers.

For consumers, switching costs are practically zero; there's no data migration, no sunken cost. Meanwhile, Big Tech incumbents are embedding LLMs directly into the everyday tools people already use: Google is weaving Gemini into Search and Gmail; and Amazon's ecosystem, which includes the voice-driven virtual assistant Alexa, is receiving an intelligence upgrade through their partnership with Anthropic*. AI is being baked into keyboards, browsers, and operating systems. If your assistant is everywhere you type, why open a separate app?

However, consumers aren't reliant solely on general AI tools. **Sixty percent** of users report using both general AI assistants and specialized AI tools—a signal that more advanced workflows are emerging. Specialized tools only gain traction when they clearly outperform the default option.

> ❝I use ChatGPT for everything. But I go to Gamma for slides."
>
> —**30-year-old designer**

> ❝I use Claude for 90% of things I need from AI."
>
> —**38-year-old engineer**

It's worth noting that our survey revealed that most people don't distinguish between older assistants like Alexa and Apple's Siri*, algorithmic recommendations like Netflix or TikTok, and newer large language models like ChatGPT and Claude*. Technically, these rely on very different technologies, but to consumers, they all feel like "AI." For both Siri and Alexa, distribution and habit sustain usage regardless of technical sophistication.

Takeaway: The reach of general AI assistants means consumers will almost always try their default tool first. Yet the consumer market for LLMs is still in its early days: far from saturated and very much up for grabs as new capabilities, better models, and deeper integrations reshape how and where people use AI in daily life. As gaps persist and the market matures, consumers will increasingly pick the best LLM based on fit for the task and personal needs.

## Market Concentration: $10 Billion Flows to General AI Leaders

This default-first behavior drives massive revenue concentration: General AI assistants capture **81%** of today's **$12 billion** consumer AI spend. OpenAI's first-mover advantage made ChatGPT the dominant player in this early market, accounting for about **70%** of total consumer spend and **86%** of spending on general AI tools specifically.

Where the **Money** Goes

General AI Assistants Capture More Than 80% of Consumer AI Spend

■ General AI assistants ■ Specialized AI tools

$12.1B

in global consumer AI spend

81%

19%

$9.8B
spent on general AI assistants
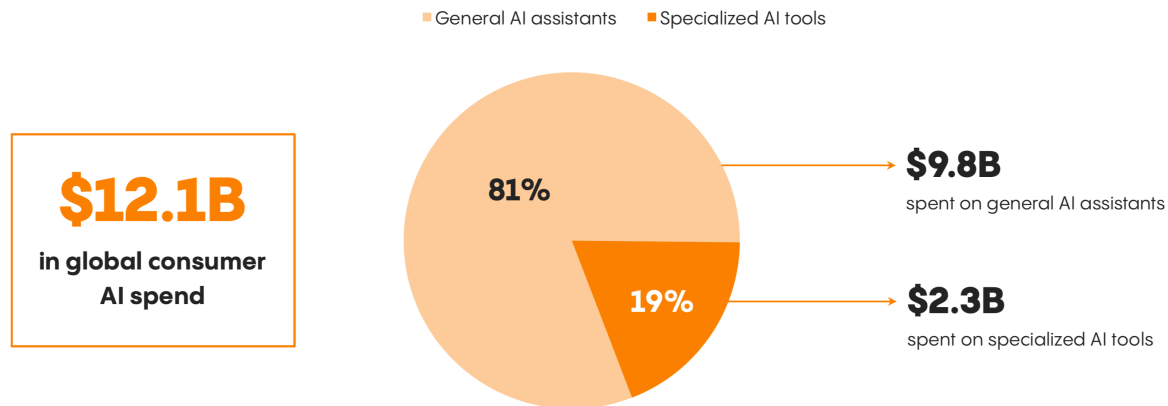
$2.3B
spent on specialized AI tools

Most AI use is free, but of the dollars consumers do spend, the majority still goes to general AI assistants. Specialized tools are carving out their share by delivering better results for specific jobs.

A harsh reality for challengers: Many specialized tools run on the same foundation models as the general AI assistants they compete with. This co-opetition creates real tension: Each new LLM release absorbs more intelligence and specialized features, making entire categories obsolete overnight. Competing head-on is like building in front of a moving bulldozer: Unless these tools move fast, build deep domain stickiness, and deliver something the default can't replicate, they risk being crushed.

Takeaway: For consumers, convenience beats capability—until it doesn't. Most users stick with their default tool unless a new one is dramatically better, following the classic **10x** rule. For specialized tools to win, they must break users' habits with experiences so superior, efficient, or personalized that switching becomes inevitable. It's a high bar. So where's the opportunity? In the friction: the tasks where general AI assistants fall short, frustrate users, and leave room for specialists to shine.

> " A lot of times it just comes down to the fact that [using AI] is a habit and routine. I have used it for a while now. It is also convenient with the technology and brands that I own."
>
> **—46-year-old man**

Daily Activities: Where AI Is Gaining Traction in Everyday Life

We wanted to cut through the hype to understand how everyday people are actually using AI in their personal lives. We surveyed respondents across five core categories of activity that capture how we spend our time: **Routine Tasks**, **Physical and Mental Health**, **Learning and Development**, **Connection**, and **Creative Expression**.

For each category, we highlight how people are using AI, what tools they choose, and the key insights behind adoption patterns to show where momentum is building, which behaviors are changing, and where opportunities remain untapped.

Five Categories of Daily Life

Category		Activities
Routine Tasks	Personal research	• Researching purchases • Researching real estate • Personal finance
	Day-to-day planning and productivity	• Writing emails • Managing to-do lists • Meal planning • Travel planning
	Home management	• Home repairs + maintenance • Managing expenses • Managing childcare
Learning + Development	Personal improvement and learning	• Learning new skills • Researching topics of interest • Practicing a new language • Practicing a new physical activity • Summarizing reading materials • Taking and organizing notes • Personal coding projects
	Work and school	• Research for school or work • Getting help on assignments • Coding projects for work or school

Category		Activities
Physical + Mental Health	Research and planning	• Researching health questions • Planning workouts
	Health management	• Tracking health and fitness data • Tracking nutrition • Navigating healthcare
	Mental health	• Mental health and wellness support
Connection	Virtual connection	• Making new virtual connections • Staying in touch
	Real-life connection	• Making new in-person connections • Dating or social coaching
	Self-connection	• Exploring spirituality
Creative Expression	Creation	• Creating music or audio • Making videos • Creating images • Creating presentations
	Editing	• Editing images and video • Writing support

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This structured view of daily activities across key categories reveals how people spend their time and where AI can create value and earn consumer trust.

Where AI Delivers the Most Value: The 10 Most Common Ways People Use AI Today

Using our survey data, we define AI usage in two key ways:

1. **Activities with highest AI usage**

   These are the tasks for which the largest share of all U.S. adults reports using AI—regardless of whether everyone

does the activity or not. This highlights which tasks contribute most to overall AI adoption and shows where AI is becoming part of everyday routines for American adults.

2. **Activities with highest AI penetration**
These are the tasks or categories where AI usage is most prevalent among people who regularly do those activities. This shows where AI has real traction and delivers clear value in daily life, highlighting the use cases with the strongest practical adoption.

In terms of the activities with the highest AI usage: Across the country, **19%** of U.S. adults use AI to help write emails. Another **18%** rely on it to manage to-do lists, research topics of interest, and get writing support. **Sixteen percent** use it for meal planning, while **15%** turn to AI to manage expenses, organize notes, and create images. Finally, **14%** use it to research health questions.

Top 10 Most Common Ways People Use AI in Everyday Life

AI usage for a specific activity among all U.S. adults

19%	18%	18%	18%	16%
use AI for:	use AI for:	use AI for:	use AI for:	use AI for:
Writing emails	**Researching topics of interest**	**Managing to-do lists**	**Writing support**	**Meal planning**
Drafting professional emails, personal messages	Curiosity-driven learning	Creating daily tasks, prioritizing activities	Essay editing, creative writing assistance	Weekly meal prep, grocery lists, recipes

15%	15%	15%	15%	14%
use AI for:	use AI for:	use AI for:	use AI for:	use AI for:
Managing expenses	**Taking and organizing notes**	**Creating images**	**Researching purchases**	**Researching health questions**
Monthly bill payments, expense tracking, budgeting	Meeting recaps, study notes	Language lessons, conversation practice	Getting recommendations, comparing prices	Symptoms, treatments

■ Routine tasks ■ Learning + Development ■ Creative Expression ■ Physical + Mental Health

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Mainstream usage comes through simple, everyday tasks like emails, lists, and quick research. Adoption is broad but shallow, with no single task dominating. Light productivity and decision support lead early experimentation, showing that trust builds by addressing small, frequent needs first.

While AI shows broad utility, adoption for any single task remains surprisingly shallow. Although more than half of U.S. adults report using AI, not one activity sees more than one in five relying on it. Even the most common use— writing emails—tops out at just **19%**. Rather than one dominant use case, adoption is thinly spread across a wide range of tasks. This underscores both the versatility of today's general AI tools and the reality that AI must deliver deeper value to drive greater usage and more consistent habits.

Takeaway: AI is useful everywhere, but there's still a long way to go to everyday adoption, signaling opportunity for new products to convert casual use before daily habit is locked in.

In terms of activities with the highest AI penetration: On this measure, writing leads with **51%**, followed by coding (**47%**), getting help with work or school assignments (**43%**), designing presentations (**38%**), and creating music or audio (**37%**). The pattern is clear: Adoption is strongest where AI naturally fits how people work and delivers obvious, tangible value.

Top 10 Activities With Highest AI Penetration

AI usage among those who routinely engage in a specific activity

51% use AI for: **Writing support** Essay editing, creative writing assistance	**47%** use AI for: **Coding projects** Building apps for work, school, or personal use	**43%** use AI for: **Getting help on assignments** Homework, work projects	**38%** use AI for: **Creating presentations** Work slides, pitch decks, educational presentations	**37%** use AI for: **Creating music + audio** Song composition, podcast production, audio editing
36%* use AI for: **Research for work or school** Industry trends, report topics	**34%** use AI for: **Creating images** Digital art, social media graphics, illustrations	**34%**** use AI for: **Managing childcare** Caregiver coordination, scheduling and logistics	**31%** use AI for: **Dating or social coaching** Dating apps, matchmaking, relationship advice	**30%** use AI for: **Learning a new language** Language lessons, conversation practice

■ Creative Expression   ■ Learning + Development   ■ Routine tasks   ■ Connection

*Asked only to students and the employed   **Asked only to parents of children under 18

Strong practical adoption is reflected in time saved and less manual effort, offering a framework to pinpoint where tasks may similarly benefit from further automation.

Deep Dive: How Consumers Use AI Across Five Areas of Daily Life

Category: Routine Tasks

From meal planning to managing to-do lists and childcare coordination, these mundane, repetitive tasks keep life on track. AI is ideally suited for these types of low-stakes, high-frequency work, but most people still muscle through manually. While AI usage is highest here, **fewer than one in five** use AI for common tasks like writing emails, paying bills, or organizing their day, leaving plenty of room for growth. The one clear outlier is parents: More than a third (**34%**) of people with children under 18 already rely on AI to lighten the load.

Routine Tasks: High Frequency, Low AI Penetration

Percentage of U.S. Adults Who Use AI for Specific Routine Activities

■ Use AI for this activity　■ Participate in activity

	Writing emails	Managing to-do lists	Meal planning	Managing expenses	Researching purchases	Travel planning	Home repairs/ maintenance	Personal finance	Researching real estate	Managing childcare*
Participate	84%	73%	74%	82%	63%	55%	66%	48%	37%	17%
Use AI	19%	18%	16%	15%	14%	14%	13%	13%	10%	6%
AI penetration	**23%**	**24%**	**22%**	**18%**	**23%**	**25%**	**20%**	**27%**	**26%**	**34%**

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*Asked only to parents of children under 18

Routine tasks are where AI has its strongest foothold, yet plenty of room remains: Fewer than one in five people automate chores, while most stick to their familiar methods for slogging through. Changing consumer behavior is difficult: Novel solutions must meet consumers where they are, encourage trial, and quickly prove their value.

When adopted, AI doesn't replace skills; it enhances them. It drafts the first version while people stay in control, editing and refining the result. The impact is clear: Creativity flows more easily, code gets written faster, and presentations look more polished. When AI proves valuable for everyday tasks, usage becomes second nature—not just part of the workflow, but central to it.

> "I'm very busy, and it makes my life easier and clears up needed time to work in other areas in my career."
>
> **—63-year-old female teacher**

> "Before I buy anything online, I ask AI to look for discount codes."
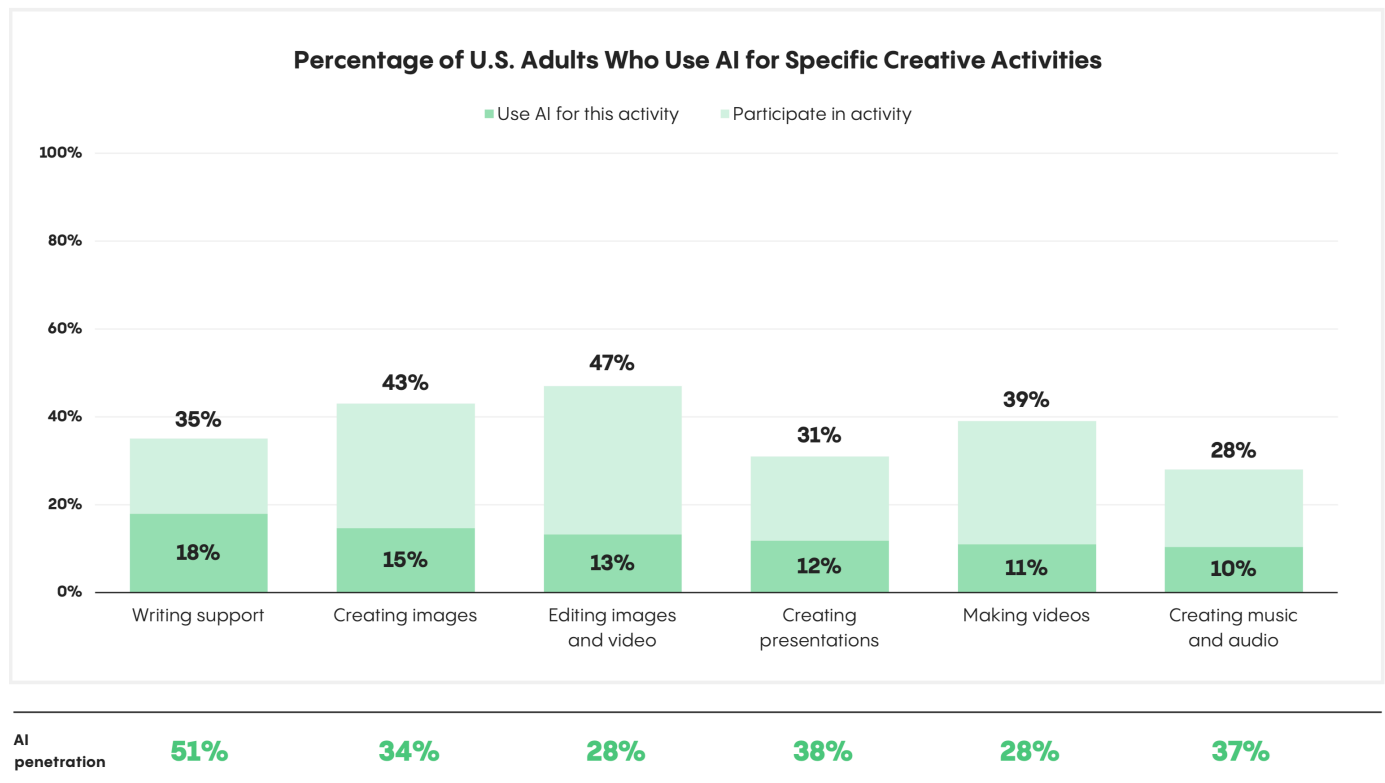>
> **—42-year-old female**

> "I was having trouble breaking down numbers and planning out my budget, and AI made it a lot easier and gave me alternate paths to take. It was also less embarrassing than telling someone else about my financial issues."
>
> **—23-year-old male student**

Takeaway: When it comes to routine tasks, convenience and familiarity beat specialization. General AI assistants are "good enough" for most needs, so people stick with what's simple and already woven into their daily routines. Specialized tools often add friction—asking users to sign up, learn new interfaces, complete extra setup, or input more data. Every extra tap or step slows people down. If a general AI assistant does the job, that's reason enough to stick with the default. In consumer AI, convenience usually wins.

Category: Creative Expression

AI Is Becoming Part of the Creative Workflow

Percentage of U.S. Adults Who Use AI for Specific Creative Activities

■ Use AI for this activity   ■ Participate in activity

Activity	Use AI for this activity	Participate in activity
Writing support	18%	35%
Creating images	15%	43%
Editing images and video	13%	47%
Creating presentations	12%	31%
Making videos	11%	39%
Creating music and audio	10%	28%

AI penetration	51%	34%	28%	38%	28%	37%

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AI has the power to turn amateurs into artists. There is magic in that first feeling of instant mastery, especially when ideas once out of reach come vividly to life. Experiencing newfound creative fluency can be exhilarating, driving repeated use and a willingness to pay.

Whether it's writing, designing, generating images, or making music, AI is becoming an integral part of the creative workflow. Among all the tasks we studied, writing has the highest AI usage, with more than half of respondents (**51%**) using AI to help them write. Other creative activities with high adoption include building presentations (**38%**), making music and audio (**37%**), and image generation (**34%**). This is more than experimentation; both creatives and non-creatives are increasingly turning to AI to amplify what they can do.

> "I'm bringing out more creativity because [AI] shows me samples and then it gets my mind going and I come up with good ideas."
>
> —**59-year-old woman working in primary/secondary education**

> "AI acts like a smart assistant, helping me polish content while maintaining my personal style. It's a great way to enhance productivity without losing originality."
>
> —**45-year-old woman working in tech**

> "I use it to write funny songs for my boys."
>
> —**44-year-old working mom**

Expanding TAM: Just as Canva democratized design and Figma redefined UX collaboration, AI lowers the technical barrier to entry, inviting people who never saw themselves as "creators" to produce polished work without formal training. As friction drops, participation rises: AI augments human creativity and becomes central to the process.

Compression in the middle: As AI tools empower non-experts to produce quality creative output, the floor is rising—and the walls are closing in on the middle of the market. Consumers are increasingly creating on their own rather than outsourcing to platforms like Fiverr, Etsy, or template marketplaces. At the same time, the standard for true craft and distinctive taste is rising: Only work that significantly exceeds what AI can produce, in both quality and originality, will stand out and justify a premium.

Tool behavior: General AI assistants are still used by **60—72%** of people working on creative tasks, but **25—32%** now also use specialized AI creative tools, which is the highest adoption rate of any category, especially for visual and audio work where polish matters most. Canva dominates, accounting for **44%** of specialized AI tool use, followed by Gamma AI (**20%**), Leonardo AI (**14%**), and Midjourney (**13%**); Jasper and Runway round out the list at **12%** each.
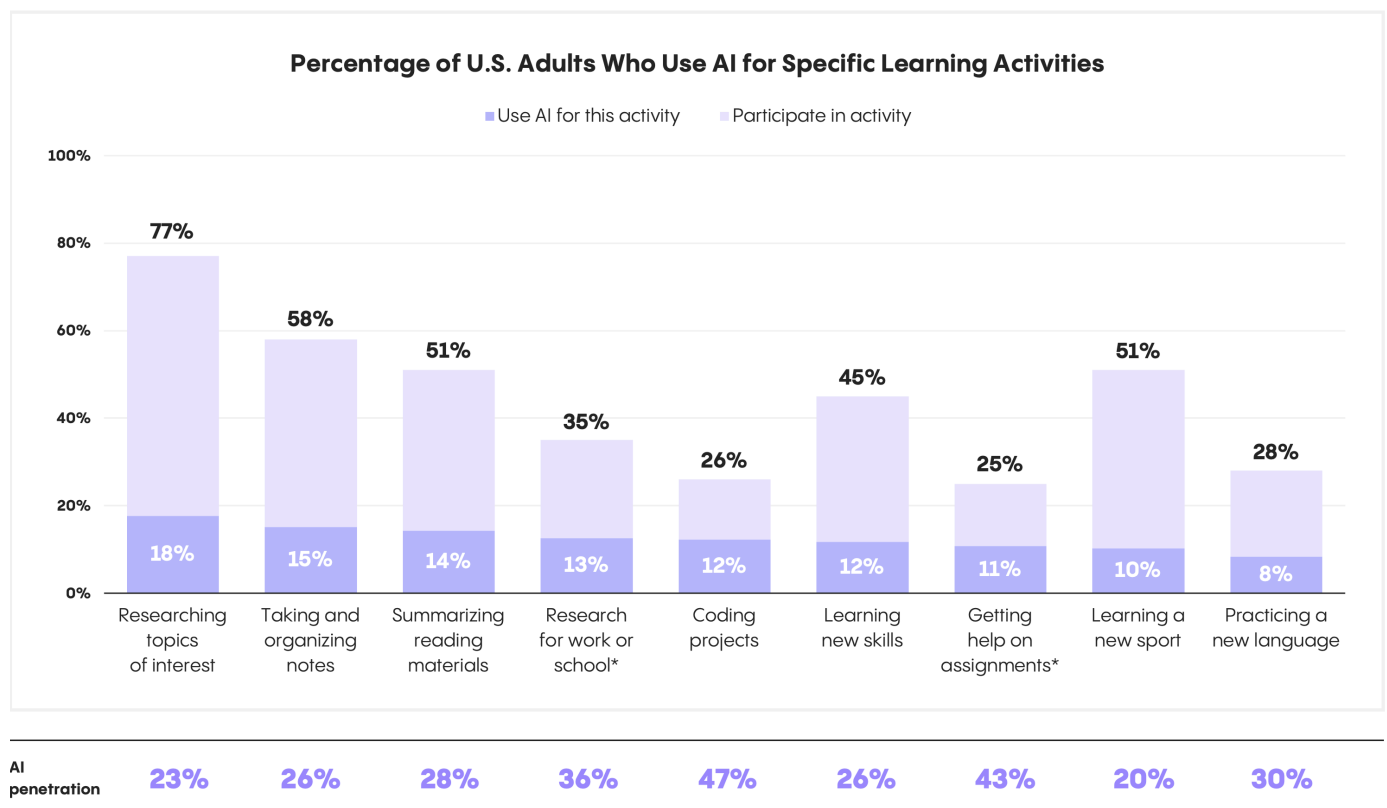
Monetization: Among the specialized AI tools (which represent **18–20%** of total consumer AI spend), tools for Creative Expression capture the largest share of spend at **45%**, driven by strong demand for media-specific, best-in-class experiences. Creative tools like Higgsfield* and Suno have seen explosive revenue growth as users willingly pay for image generation, audio production, and advanced design where customization and quality output matter most.

Takeaway: The creative category is increasingly AI-native; it's where consumers most often adopt specialized tools and show a higher willingness to pay. As it becomes easier to produce polished content, taste—the human eye for what is good, fresh, or interesting—becomes the key differentiator. With new image and video models emerging constantly, users care less about which tool they use and focus more on how to control, edit, and refine what AI generates.

Category: Learning and Personal Development

From learning new languages to polishing coding skills, researching topics to summarizing articles, taking notes, and getting help with homework, AI is becoming embedded in how people learn, absorb information, and develop new skills. When Americans engage in learning or personal development activities, nearly half (**43%**) use AI for academic support, **36%** use it to do research for work or school, **30%** use it for learning languages, and nearly a third delegate tedious tasks like summarizing articles (**28%**) and taking notes (**26%**) to AI.

Study Aid + Skill Builder: AI's Role in How We Learn

Percentage of U.S. Adults Who Use AI for Specific Learning Activities

■ Use AI for this activity ■ Participate in activity

	Researching topics of interest	Taking and organizing notes	Summarizing reading materials	Research for work or school*	Coding projects	Learning new skills	Getting help on assignments*	Learning a new sport	Practicing a new language
Participate in activity	77%	58%	51%	35%	26%	45%	25%	51%	28%
Use AI for this activity	18%	15%	14%	13%	12%	12%	11%	10%	8%
AI penetration	23%	26%	28%	36%	47%	26%	43%	20%	30%

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*Asked only to students and the employed

In Learning and Development, the tech-to-task fit is strongest when AI acts as an assistant for information processing, not as a full teacher or coach (yet). Adoption is highest where AI removes friction in searching, organizing, and summarizing, not where AI replaces deliberate practice.

> " I use AI in my personal research to reduce time and effort in collecting information and reducing wasted effort. I utilize it for research into facts, policies, and positions that are generally in juxtaposition to my own opinions."
>
> —**68-year-old retired man**

> " I needed to learn something quickly for an upcoming presentation. AI was the best resource at the ready."
>
> —**30-year-old self-employed woman**

Tools: General AI assistants lead for most activities, but in language learning, consumers prefer specialized tools like Duolingo Max (**26%**) and Speak (**21%**) because they offer immersive and progressive experiences that today's general AI assistants simply can't deliver.

TAM Expansion in Coding: The rise of vibe coders—non-technical developers building apps with natural-language prompts and AI scaffolding—shows how accessible tools can dramatically expand the market. What was once a specialized skill is now becoming a creative outlet: **47%** of users apply AI to coding for work or school, and **41%** use it for personal projects. Explosive growth stories like Cursor's jump to a $500M+ run rate in just two years, demonstrate strong task-technology fit. Website builders like Lovable have reached over $60 million in ARR in under a year. Much like photo editing or slide design before it, AI-assisted coding is becoming foundational digital literacy, and the TAM for creation tools is growing along with it.

> " I definitely vibe code. It's sooo much faster than typing especially when trying new libraries, components or designing for best practices."
>
> —**39-year-old male working in tech**

> " I used Claude Sonnet to write a web app where I can batch upload hundreds of files and convert them into one single plain text document that I can then use for AI training. This really makes me want to see what other cool stuff I can play around with, mostly for fun."
>
> —**28-year-old female lawyer**

Takeaway: The total addressable market for Learning and Development is expanding as AI helps people build practical skills such as coding, app development, and learning a language into their regular workflows. Learning and development tools succeed when they show measurable progress and a clear return on time invested. Personalization
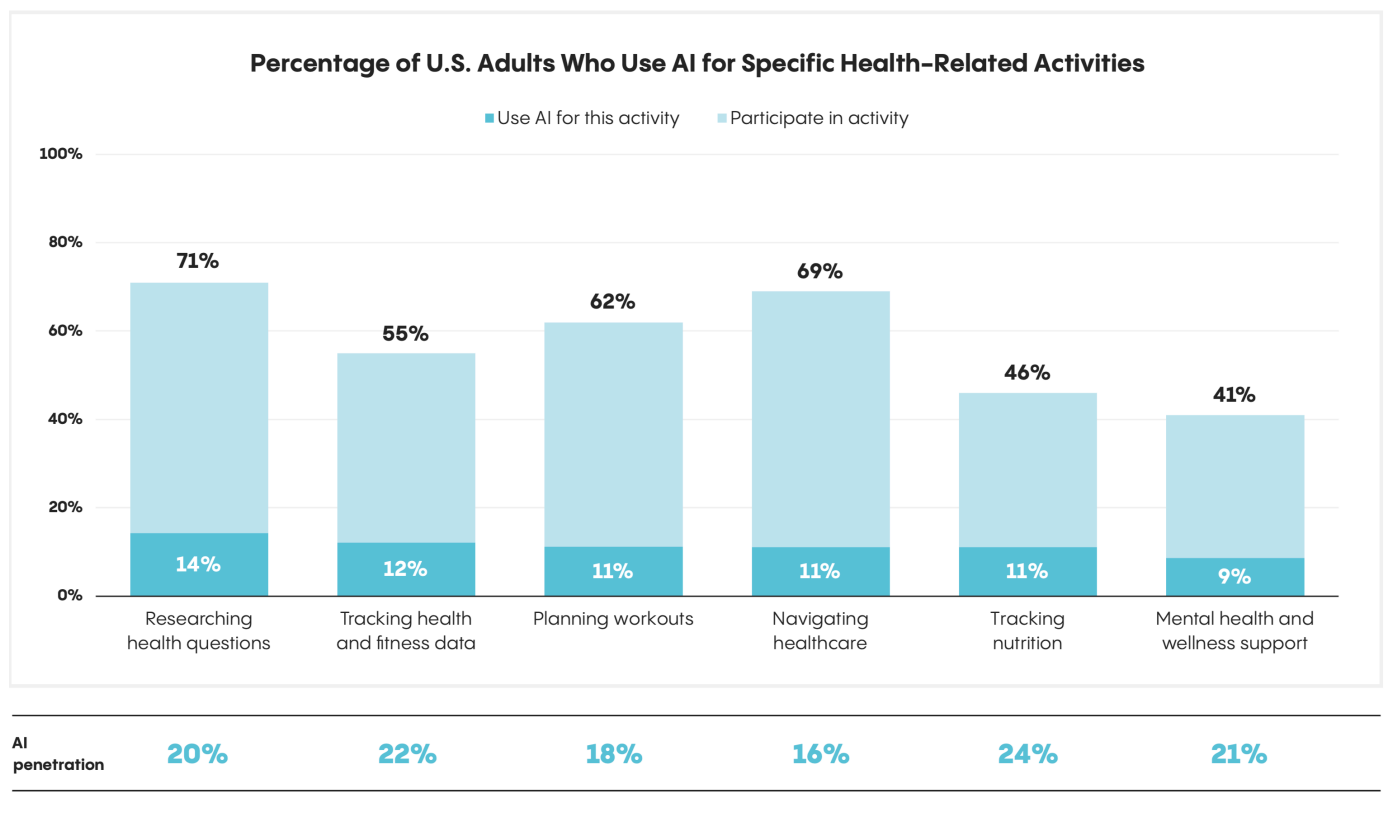
and strong context matter, and the most effective solutions are embedded directly into the apps and devices people already use, from email and calendars to browsers.

Category: Physical and Mental Health

While most Americans regularly engage in health-focused activities, only **14%** use AI to help. When they do, it's mostly for structured, data-driven tasks like tracking nutrition and vitals, not for jobs that require empathy, nuance, or trust. The gap between task frequency and AI adoption reveals a goldmine of untapped demand. People want help with these tasks; they're just waiting for the right tool to show up.

The Mental Health Perception Gap: Nowhere is the disconnect between hype and behavior more striking than in mental health. Despite claims that AI is replacing therapists, only **21%** of the **41%** of U.S. adults who sought mental health support in the past six months turned to AI—only **9%** of the total population. That mismatch between hype and behavior shows up across wellness. Of the **71%** of people who researched health questions, only **20%** used AI to help; of the **69%** who navigated the healthcare system, only **11%** used AI; and although **62%** of adults planned workouts, only **18%** did so with AI support.

Despite the Hype, Few Turn to AI for Physical + Mental Health

Percentage of U.S. Adults Who Use AI for Specific Health-Related Activities

■ Use AI for this activity   ■ Participate in activity

	Researching health questions	Tracking health and fitness data	Planning workouts	Navigating healthcare	Tracking nutrition	Mental health and wellness support
Participate in activity	71%	55%	62%	69%	46%	41%
Use AI for this activity	14%	12%	11%	11%	11%	9%
AI penetration	20%	22%	18%	16%	24%	21%

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Despite headlines to the contrary, these numbers paint a stark picture: Physical and mental health activities show some of the lowest AvI adoption rates among U.S. adults. The bar is high for solutions that handle highly personal information and touch on sensitive topics. In this domain, trust is the real frontier.

Tools: Among the relatively small group of consumers using AI for healthcare, most default to general AI assistants. Just **14%** use specialized AI tools, and, within that group, Character.AI dominates emotional wellness (used by **38%** of respondents who report using AI for mental health concerns), despite offering no clinical rigor. Nearly half of Americans have sought mental health support in the past six months, but only a small fraction turned to AI. That gap between widespread need and low AI adoption signals untapped opportunity for companies like Ash* that combine AI accessibility with clinical-grade treatment. If these tools can match the trust and credibility of a human therapist, they can unlock a meaningful share of the $50 billion mental health market.

> " More access to information related to my unique health. Fast results. No judging. Remember all the symptoms, no need to repeat."
>
> —**37-year-old self-employed mother**

> " It's easier than walking two miles to see a doctor because I'm disabled."
>
> —**46-year-old single man living in rural West Virginia**

> " I had bad allergies and nothing was working so I used AI to learn about natural remedies and see if changing my diet could help."
>
> —**55-year-old man**

Takeaway: Despite low adoption today, AI is uniquely suited to handle healthcare's complex, fragmented data. It can process unstructured records and deliver personalized insights beyond human capability. However, trust, privacy, and clinical credibility create higher barriers than in other categories. For now, general AI assistants dominate by default, with consumers often pasting lab results into chatbots. Companies that combine AI's data intelligence with trusted human care teams are best positioned to earn patient trust, fit insurance models, and scale high-quality care.
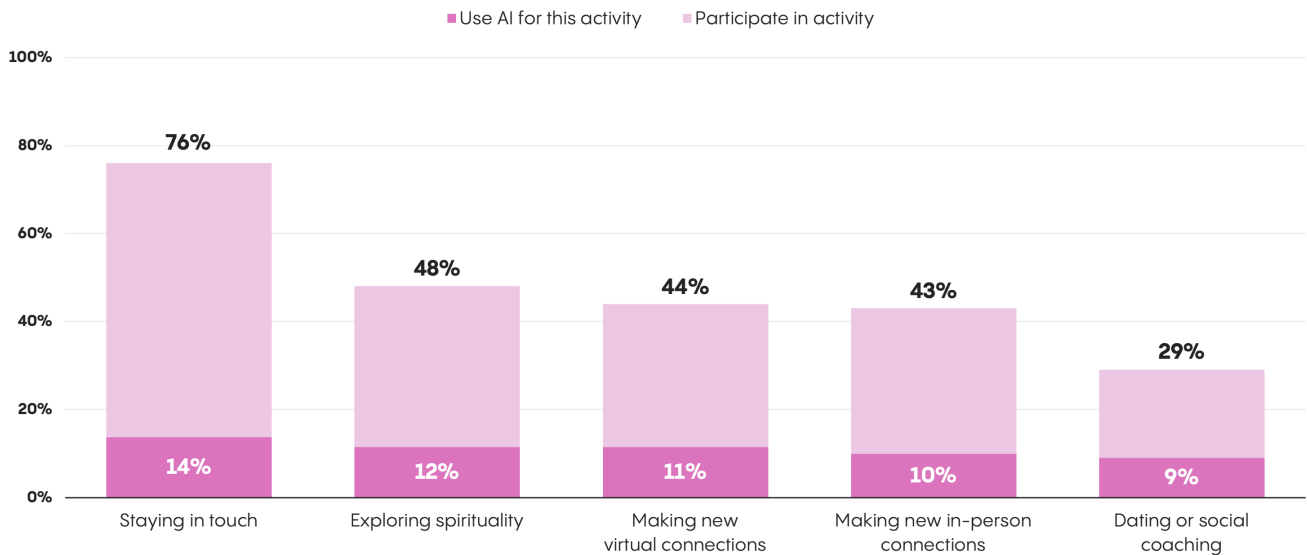
Category: Connection

From staying in touch to forming new relationships, people are starting to use AI to help them connect. Whether it's for dating advice, social coaching, virtual friendships, or exploring personal beliefs, AI's role in social connection is still emerging but gaining momentum. **Eighteen percent** of people who use technology to stay in touch have used AI for tasks like starting conversations or finding groups. Adoption is even higher for dating (**31%**) and virtual friendships (**26%**). Early trends suggest AI adds the most value when helping people build new relationships, where guidance and personalization matter most.

Connection: Where AI Supports Social Interaction

Percentage of U.S. Adults Who Use AI for Specific Social Activities

■ Use AI for this activity ■ Participate in activity

	Staying in touch	Exploring spirituality	Making new virtual connections	Making new in-person connections	Dating or social coaching
Participate in activity	76%	48%	44%	43%	29%
Use AI for this activity	14%	12%	11%	10%	9%
AI penetration	**18%**	**24%**	**26%**	**23%**	**31%**

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People crave connection, but today, very few turn to AI to enable it. It may seem counterintuitive to trust technology with something so deeply human, but the same was once true of online dating. Over time, thoughtful design and trust signals turned skepticism into mainstream behavior. Social AI could follow a similar path if it helps people build connections and feel connected authentically.

> "AI can provide great conversation openers and ice breaker questions!"
>
> **—23-year-old single man**

> "For a while, I used AI tools to provide companionship since I had just recently gotten out of a relationship and felt lonely. I had no friends to talk to and went to AI for advice."
>
> **—26-year-old single woman**

> "I got in a fight with my father and wanted to explain how he hurt my feelings so he would understand, but I didn't want to make it worse. I even prepared for the conversation by describing ways I thought he might push back so I could be ready with responses that would keep us constructive."
>
> **—39-year-old married mother**

Tools: General AI assistants remain the default for those using AI to support connection, helping them come up with conversation starters, date ideas, or even roleplay. However, specialized AI tools are quickly gaining traction, especially among users seeking to form new relationships *with* AI. Character.AI and [Replika](#)—both platforms that allow users to chat with AI-generated characters—account for 40% and 18% of specialized AI tool usage, respectively, for social connection. These tools stand out for offering conversational experiences that feel personal, responsive, and aligned with real-world relationship goals.

> " I needed a friend, but I didn't want to get too close because I have been hurt in the past. I thought AI could help me find a friend I can trust."
>
> **—78-year-old single retired woman**

> " I'm at a point in my life where sometimes just having somebody unbiased to question and talk to is easier than going out and you know finding a stranger or something. It just makes sense to me."
>
> **—28-year-old unemployed woman**

> " I used AI as a dating coach. I got tips on how to ask someone out, ideas for fun dates, ways to show I was interested, and how to keep the conversation going."
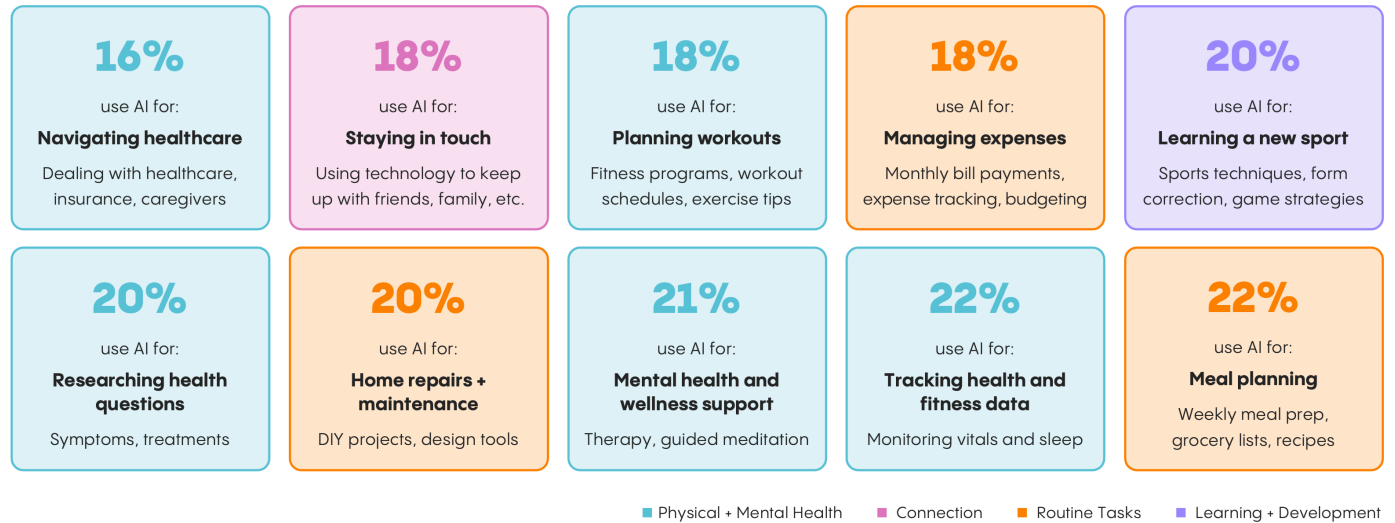>
> **—31-year-old single man**

Takeaway: AI is becoming part of people's relationships in two ways: it helps connect people to each other, and for some, it becomes a companion itself—a new kind of relationship domain. The biggest opportunities are in "multi-player mode": personalized matchmaking, proactive connection-building, and social platforms that amplify real interactions, sometimes alongside AI personas.

White Space Opportunities: Where AI Founders Can Break New Ground

Our survey shows a striking gap between how often people tackle personal, essential tasks and how rarely they use AI for help. These aren't dead zones; they are high-frequency, high-friction, high-trust needs where context, continuity, and accuracy matter most. That's exactly where general AI assistants fall short today, creating an opening for specialized tools to win.

Top 10 Activities With Lowest AI Penetration

AI usage among those who routinely engage in a specific activity

16%	**18%**	**18%**	**18%**	**20%**
use AI for:	use AI for:	use AI for:	use AI for:	use AI for:
Navigating healthcare	**Staying in touch**	**Planning workouts**	**Managing expenses**	**Learning a new sport**
Dealing with healthcare, insurance, caregivers	Using technology to keep up with friends, family, etc.	Fitness programs, workout schedules, exercise tips	Monthly bill payments, expense tracking, budgeting	Sports techniques, form correction, game strategies

20%	**20%**	**21%**	**22%**	**22%**
use AI for:	use AI for:	use AI for:	use AI for:	use AI for:
Researching health questions	**Home repairs + maintenance**	**Mental health and wellness support**	**Tracking health and fitness data**	**Meal planning**
Symptoms, treatments	DIY projects, design tools	Therapy, guided meditation	Monitoring vitals and sleep	Weekly meal prep, grocery lists, recipes

■ Physical + Mental Health   ■ Connection   ■ Routine Tasks   ■ Learning + Development

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The tasks people do most are not always the easiest wins for AI. The more personal, contextual, or physically grounded an activity is, the harder it is to automate or augment well. AI usage drops sharply when tasks aren't purely cognitive or repetitive, but instead demand context, nuance, trust, or real-world integration.

These white space activities share three traits that make them compelling opportunities:

1. **High frequency:** People engage daily or weekly.

2. **High friction:** They're complex, emotional, and context-dependent.

3. **High trust:** They depend on personal history and nuanced understanding.

Why focus here? While **nine out of 10** AI users rely on general AI tools, personal tasks create switching costs once people find a solution that works. Unlike writing, where "good enough" is acceptable, these jobs demand a specialized experience worth paying for. Already, **60%** of users combine general and specialized tools, showing that workflows are evolving and these high-trust categories can support premium, defensible products.

Healthcare and wellness: 71% of people research health questions, but only **20%** use AI to do it. This gap signals strong demand for trusted, personalized care. In D2C, companies like Ash* combine AI-generated insights with licensed therapists for hybrid care, while Curai Health brings AI to primary care to offer a more personalized experience with 24/7 access to a care team. Also interesting are companies that sit at the nexus of AI and proprietary personal health data, like Function Health*, that are in a strong position to launch valuable features to offer pinpoint-personalized insights. These approaches point the way for new players to blend AI's accessibility with clinical-grade care and credibility.

Financial management: 82% of people pay bills, but only **16%** use AI to help. This mismatch highlights an opportunity to simplify financial chores and deliver clear ROI. Companies like Monarch* are laying the groundwork by aggregating personal transaction data, giving AI a clear opportunity to deliver more powerful insights, visualizations, and optimizations. There's also room to innovate by making payments faster, easier, cheaper, and more secure.

Connection: 76% of people actively connect with friends, yet only **14%** use AI to stay in touch. This points to a wide-open market for "multi-player" social AI that facilitates human connection rather than replacing it—think AI-powered matchmaking, relationship coaching, and playing games or participating in online activities with a combination of human and AI friends.

Personalized learning: 77% of people are actively learning, but only **18%** use AI for it. There is huge potential for AI that acts like a personal coach beyond language learning—explaining concepts, closing skill gaps, and adapting to individual learning styles. We're excited about AI that guarantees measurable progress and fits naturally into people's hobby and academic routines.

Home–related tasks: 66% of people report managing repairs and maintenance, but only **13%** use AI to do it. Home-related expenses are one of the largest categories of consumer spend today, and the gap between task frequency and AI adoption signals untapped demand for AI that helps with everything from contractor vetting and matching to DIY guidance.

Family logistics: Only **34%** of parents use AI despite childcare and coordination being among the highest-friction tasks. This complexity creates clear room for specialized, family-friendly AI that simplifies scheduling, homework, and household organization while offering access and accessibility to multiple family members and caregivers.
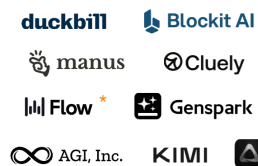
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Consumer AI Market Map

Consumer AI in 2025: Emerging Solutions Across Key Categories of Daily Life

General AI Assistants

- Gemini
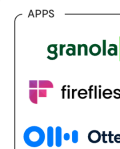- Microsoft Copilot
- perplexity
- Claude*
- Grok
- deepseek
- Siri
- alexa
- Poe

Routine Tasks

PRODUCTIVITY
- duckbill
- Blockit AI
- manus
- Cluely
- Flow*
- Genspark
- AGI, Inc.
- KIMI

NOTE-TAKING

APPS
- granola
- fireflies.ai
- Otter.ai

HARDWARE
- PLAUD.AI
- Limitless
- bee

COMMUNICATION
- SUPERHUMAN
- grammarly
- QuillBot

CONSUMER ROBOTICS
- matic
- SKILD AI*
- fauna robotics
- Prosper
- swish
- Physical Intelligence (π)
- cobot

TRAVEL
- wanderlog
- Wanderboat
- autopilot
- mindtrip.

FASHION
- ALTA*
- Doji

CONSUMER ADVOCACY
- DoNotPay

HOME TASKS
- ohai.ai

- LAYLA
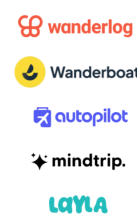
FINANCE
- Monarch*
- Copilot
- Rocket Money
- Betterment*

READING
- Speechify

Creative Expression

IMAGE/VIDEO GENERATION + EDITING
- Adobe
- Leonardo.Ai
- KREA
- runway
- Pika
- Ideogram
- Higgsfield*
- descript
- KlingAI
- MINIMAX
- invideo
- FLORA*
- captions
- OpusClip
- VEED
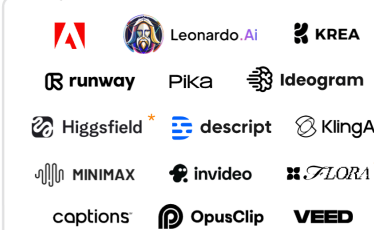
IMAGE/VIDEO MODELS
- Sora
- DeepMind
- Reve
- Black Forest Labs
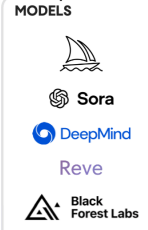
CREATIVE SOCIAL PLATFORMS
- CIVITAI
- VIGGLE
- weights
- Cara beta

PRESENTATIONS
- GAMMA
- Canva
- Figma

MUSIC + AUDIO
- SUNO
- udio BETA
- Riffusion

WRITING SUPPORT
- grammarly
- QuillBot
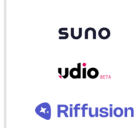
VOICE
- IIElevenLabs

Physical + Mental Health

PHYSICAL HEALTH
- Function*
- Curai Health
- WHOOP
- ROON
- EIGHT SLEEP
- OURA

MENTAL HEALTH
- Woebot Health
- Ash*
- Finch

NUTRITION
- Alma*
- Cal AI

Learning + Development

TUTORING
- photomath*
- Atypical*
- Gizmo
- Super Teacher
- Class Companion BY PANORAMA EDUCATION
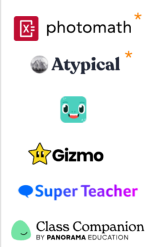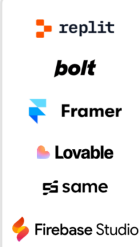
APP CREATION
- replit
- bolt
- Framer
- Lovable
- same
- Firebase Studio

CODING
- Cursor
- Windsurf

LANGUAGE
- duolingo
- Speak

Connection

DATING
- STITCH
- KEEPER
- Ditto AI

SPIRITUALITY
- Bible Chat
- Hallow
- Co-Star

AI COMPANIONS
- character.ai
- Replika
- Kindroid

VOICE
- sesame
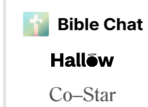
NETWORKING
- gigi
- Series
- BOARDY.Ai

DIGITAL MIND
- Delphi*

The consumer AI transformation is underway. General assistants and specialized tools now tackle real human needs across every category of life, weaving AI into everyday tasks and routines. AI's momentum underscores a simple truth: People adopt new solutions when they help do things better, faster, and cheaper. Small wins build compounding value over time.

Takeaway: Competing where general AI assistants do "just fine" is an uphill battle. Founders can create real value by tackling personal, high-trust tasks where generic tools fall short—and where people will pay for solutions that truly work. As investors, we're excited to back the builders who focus here, creating products sticky enough to earn trust and strong enough to command premium pricing.

While these white space opportunities represent massive potential for AI founders, there's another critical piece of the puzzle: understanding why some Americans haven't embraced AI at all. Their hesitation points directly to what AI products must solve to earn trust and become truly indispensable.

The Holdouts: What Drives AI Resistors and Rejectors?

While **61%** of Americans have embraced AI, a substantial **39%** remain unmoved. These resistors and rejectors aren't simply Luddites or technophobes; they're thoughtful consumers who haven't yet found a compelling reason to weave AI into their daily lives. Understanding what holds them back reveals both the challenges and the opportunities for the next wave of consumer AI adoption.

A Spectrum of Resistance

Our survey revealed many overlapping concerns among non-adopters, but one barrier stands out above the rest: human connection. A striking **80%** say they prefer interacting with people over machines, a belief that goes beyond convenience and speaks to how they think important tasks should be done. Related to this, **53%** say they need to feel accountable to another human; they want oversight, responsibility, and real connection in how decisions get made.

> "I feel like people have stopped using their own brains these days. By using AI, it takes human creativity out of it and human independent thinking out of it."
>
> —**47-year-old woman**

> "Replacing human interaction, creativity, thinking, and problem-solving skills sets a dangerous precedent for how we use our brains – which will wither without practice."
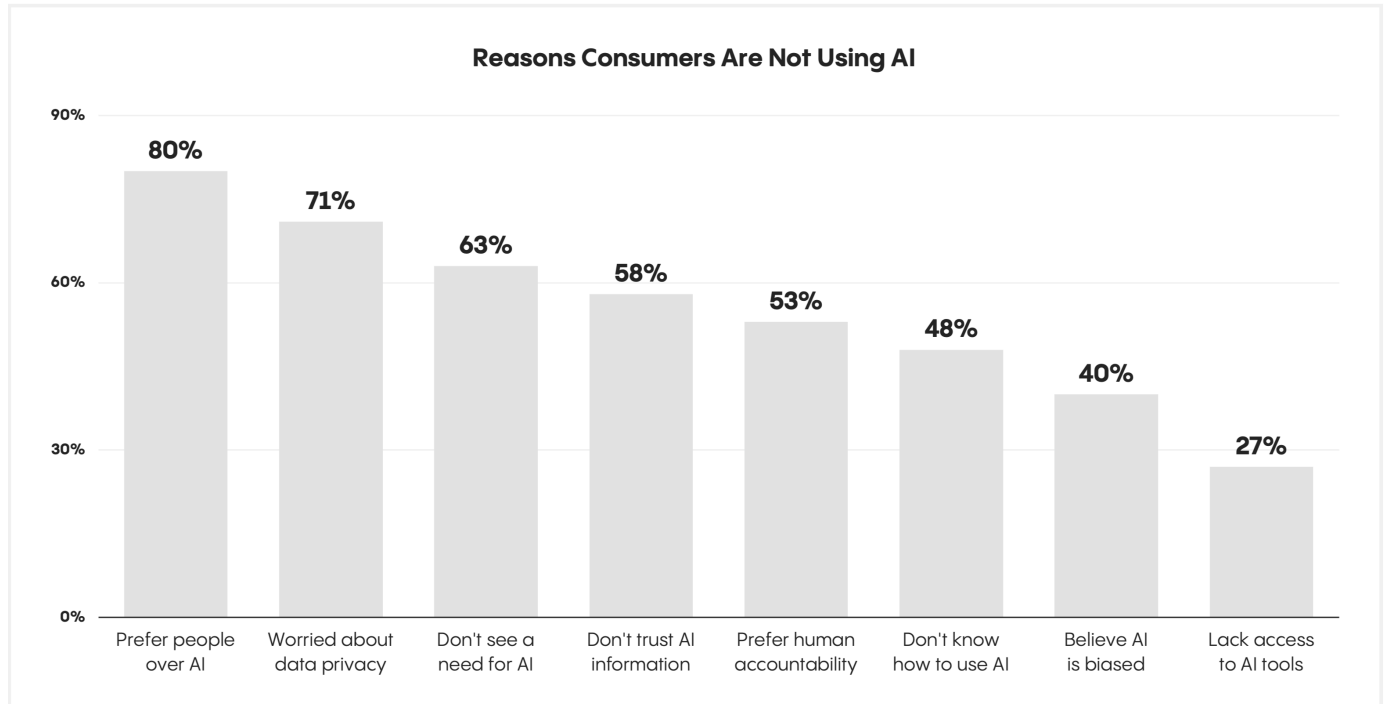>
> —**27-year-old self-employed man in media industry**

> "I don't believe AI tools are sophisticated enough yet to perform well in many applications."
>
> —**50-year-old woman**

Trust is the second major hurdle. Nearly three-quarters (**71%**) worry about data privacy and security, **58%** don't trust the information AI provides, and **40%** believe AI tools are biased. Far from abstract, these are practical deal-breakers that keep people from trying AI in the first place.

Why 39% of Americans Haven't Adopted AI Yet

Reasons Consumers Are Not Using AI

Prefer people over AI	80%
Worried about data privacy	71%
Don't see a need for AI	63%
Don't trust AI information	58%
Prefer human accountability	53%
Don't know how to use AI	48%
Believe AI is biased	40%
Lack access to AI tools	27%

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People have all sorts of reasons for holding out: a preference for people, privacy concerns, a lack of trust, or simply no urgent need. Better technology alone won't break through, but alignment with human values can. And often, one moment is all it takes—that instant when AI feels like magic.

A relevance gap slows adoption further: **63%** say they simply don't see a need for AI in their daily lives. This suggests many current applications haven't demonstrated enough tangible value to feel essential—or that some people aren't willing to give AI tools a try.

Finally, many holdouts face a knowledge and access barrier: Nearly half (**48%**) say they don't know how to use AI tools effectively, pointing to an onboarding challenge that better design and clearer guidance could help solve. Another **27%** say they lack access altogether, showing that availability and distribution still matter.

Takeaway: AI holdouts aren't anti-technology; they just haven't had their "aha moment" yet. Some haven't tried. As behaviors shift over time and the technology continues to improve, we expect many of these barriers to adoption to decline.

Six Predictions for Consumer AI

Based on what we're seeing in the market and hearing from founders, in combination with our survey data and analysis of current adoption patterns, we see six major shifts reshaping consumer AI over the next 18 to 24 months.

1. **The Second Wave: Specialized Tools Go Mainstream**

   Nearly two-thirds of Americans now use AI, and the first wave dominated by general AI assistants is well underway. Starting this year, expect specialized tools to gain traction and move into the mainstream. The challenge will be defensibility. We're looking for products that replace complexity with simplicity, embed persistent memory, have strong integrations, and unlock and train with proprietary user data.

2. **From Assistant to Automation: AI Takes Over Entire Workflows**

   Today's AI handles discrete tasks like drafting text or generating images. The next generation will run complex workflows from end to end. Think travel planning: researching options, booking tickets, arranging transport, checking in, and booking activities and restaurants automatically. In healthcare, AI will find top in-network providers, book appointments, manage forms and insurance, schedule follow-ups, and send aftercare reminders. Every step is handled by AI; the consumer is the "human-in-the-loop," with oversight and final approval rights. Simply "click to confirm" at the end.

3. **From Single to Multi–Player**

   Most AI models and general AI platforms aren't inherently social today. Products that build "multi-player" experiences—ideally with built-in network effects—not only stand out but also gain more defensible distribution and engagement.

4. **Voice AI Takes Off**

   Voice AI is set for growth as speech recognition reaches near-perfect accuracy and major players upgrade their engines. Of those using AI for routine tasks, **32%** use Alexa and **25%** use Siri despite current limitations. With LLM-powered intelligence, voice interfaces like Wispr Flow* and Superwhisper, and future integrated hardware devices, voice can become a more natural interface for ambient, proactive AI.

5. **Physical AI Will Enter the Home**

   Beyond the ongoing revolution in self-driving cars led by Tesla, Waymo, and NVIDIA, we predict that the next wave will bring consumer robotics into our homes. Early-stage companies like Matic, Fauna, Prosper, and Swish—built on foundational models such as Skild* and Physical Intelligence—will help people tackle physical tasks in and around the house. This marks the shift from digital assistance to real-world action, a frontier that is still in its early days but poised to grow rapidly.

6. **Revenue Models Diversify Beyond Subscriptions**

   The biggest long-term monetization opportunities won't be subscriptions. We expect rapid adoption of advertising models, transaction fees, affiliate revenue, and marketplace models. Creative AI tools are already pioneering this shift.

Closing Thoughts and One Last Takeaway

At Menlo Ventures, we believe generational companies are born when real consumer needs are met by major technology shifts. Today, that shift is AI—evolving from early experimentation to everyday utility at an unprecedented pace.

The takeaway from this report is clear: People embrace tools that solve real problems better, faster, and cheaper than traditional approaches. That simple truth is the cornerstone of our investment thesis and echoes throughout this report. At Menlo, we back founders who understand this dynamic and build solutions people depend on to tackle the persistent problems of everyday life.

If that sounds like you, we'd love to connect.

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* Backed by Menlo Ventures