

Top GenAI Opportunities for Tech Products

Key actions to drive growth and enhance
customer value



To protect and build market share, tech and service providers must ask when and how to integrate emerging tech into products.

When faced with investing in an early emerging technology, most organizations take a wait-and-see approach. But for many, that phase looks more like “set aside and forget.”

A true wait-and-see approach identifies what to watch for (what to see), and how to act (when to stop waiting) when “what to watch for” materializes.

What to watch for depends primarily on three things:

1. Changes in the competitive environment
2. The maturity of the relevant technology
3. The readiness of the market for that technology

The outlook for integrating generative AI (GenAI) into product offerings is highly uncertain, but tech providers need a pragmatic approach to capturing the opportunities.

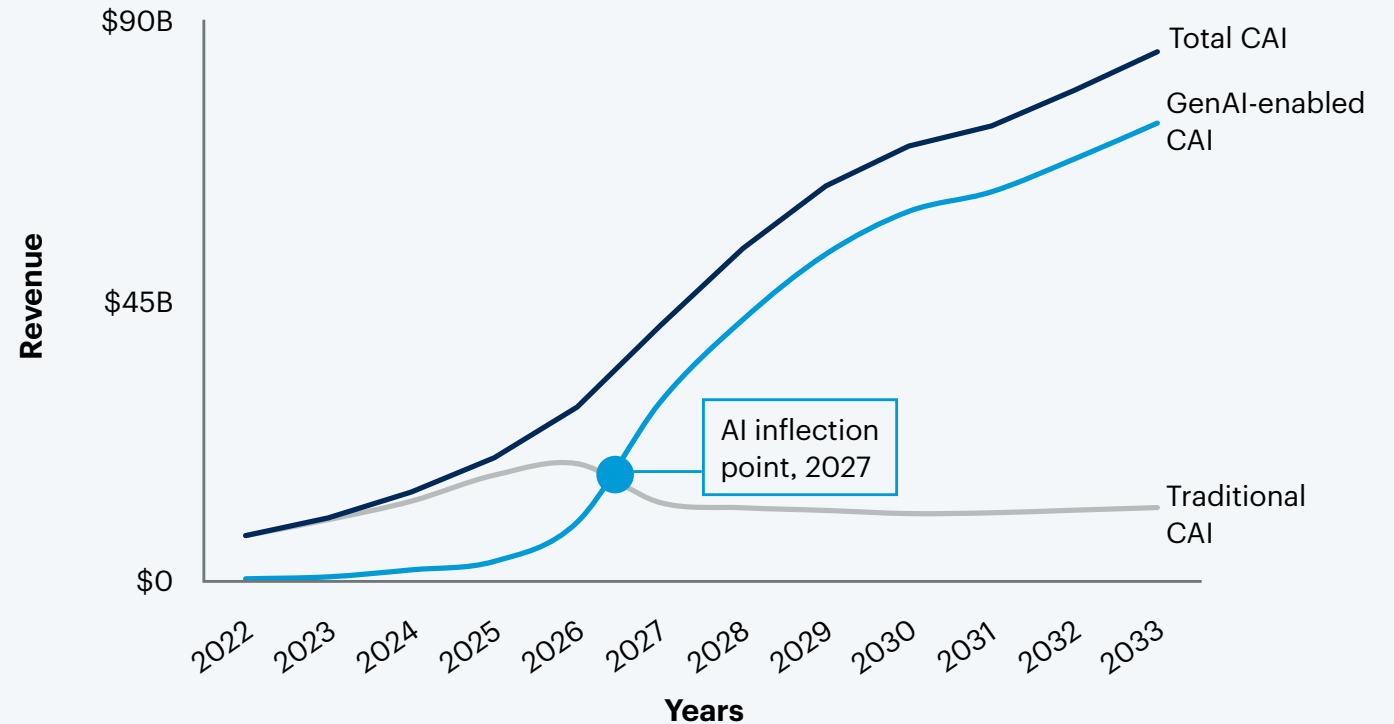
Conversational AI: Why, where and when to act

Consider, for example, the emerging scenario for conversational AI (CAI).

The best case from Gartner's proprietary market-risk projections shows:

- Revenue contribution of GenAI (prebuilt) capabilities to CAI platforms will reach \$84.8 billion in 2033, up from \$6.9 billion in 2022, with a compound annual growth rate (CAGR) of 25.5%.
- GenAI-enabled revenue contribution will surpass traditional AI-enabled conversational solution revenue by 2027.
- Tech providers that do not act prior to the inflection point risk losing market share.

Impact of GenAI on CAI



Source: Gartner
CAI = conversational AI



By 2025, **GenAI will be embedded in 80% of CAI offerings**, up from 20% in 2023.

Calibrating your stop/pause/go response

Product leaders must calibrate their response to the signposts according to their desired position in the market.

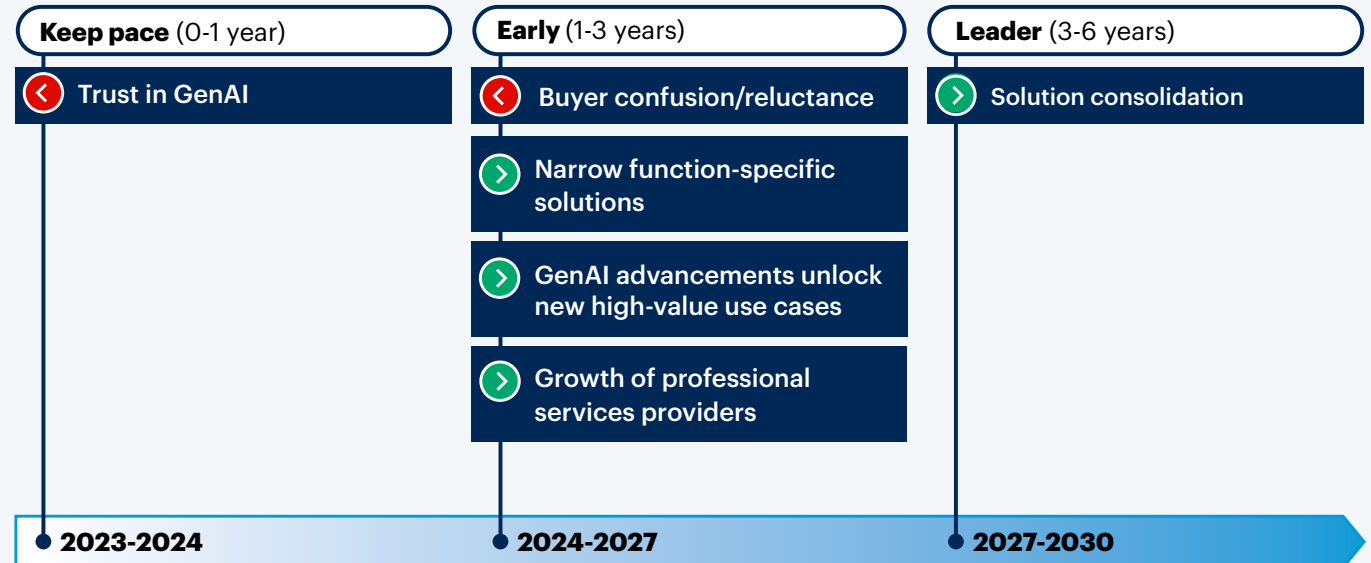
Keep pace — signposts in the now to one-year period: If you act now, you are likely to keep pace with the market.

Early — signposts in the one- to three-year period: If you act now, you will likely be early to market, outpacing your peers.

Leader — signposts in the three- to six-year period: If you act now, you will likely be a market innovator, increasing your chances of becoming a leader in the market.

Risks and opportunities: Gen AI impact on conversational AI software

Key: Outcome (critical time period) ➤ Accelerator ➡ Inhibitor

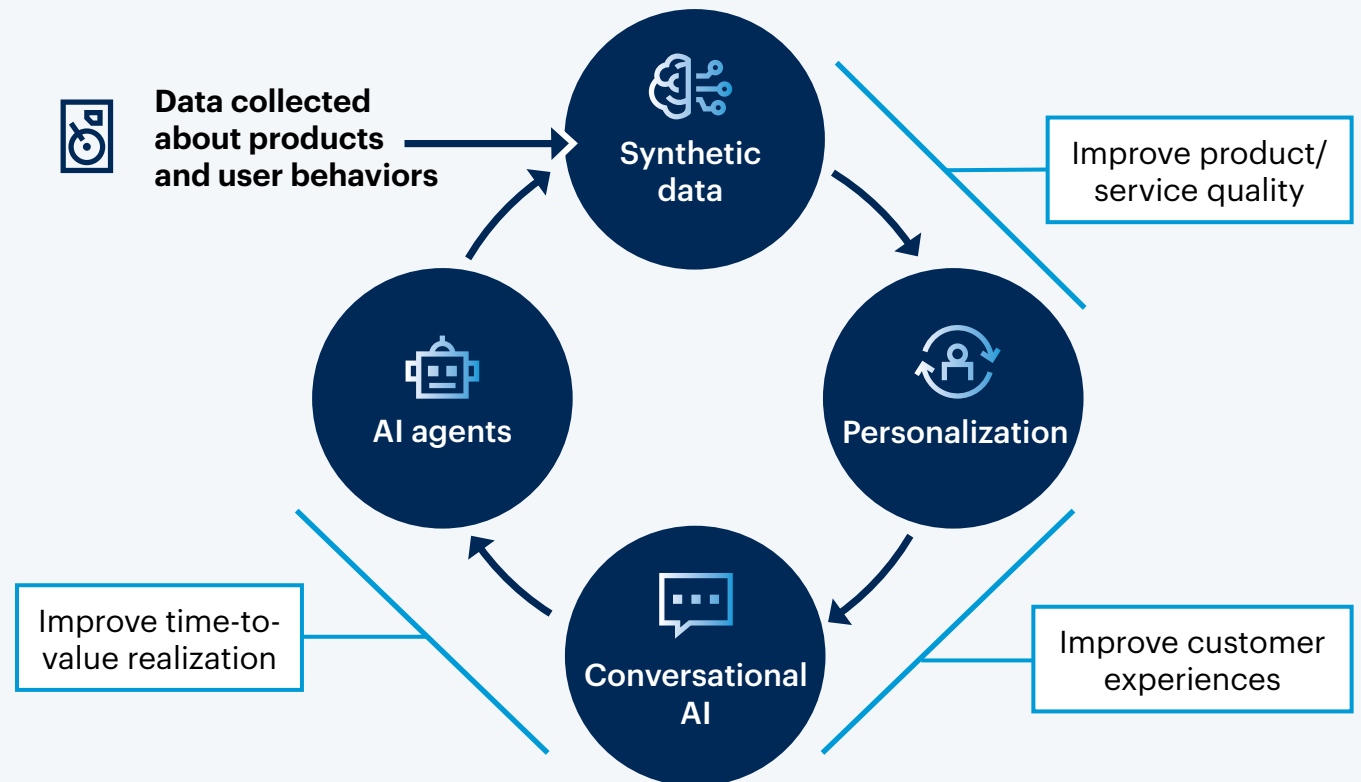


Source: Gartner

CAI is one of the biggest GenAI opportunities to drive customer value

Four big opportunities, including CAI, exist in providing GenAI capabilities that allow technology to adapt to user needs and drive customer value.

Product innovations with 4 key GenAI capabilities to achieve the top customer value goals



Source: Gartner

What those GenAI capabilities offer

Synthetic data



Artificially generated class of data used as a proxy for real data — e.g., for anonymization, AI and machine learning development, data sharing and data monetization



Example:

Design products/services precisely for target uses/customers, based on simulated behavioral data, to improve customer experiences.

Personalization



The ability to use synthetic data and the simulation of target use scenarios or user personas to generate highly adaptive UX, content, features or service offerings



Example:

Configure hardware to adapt to customers' hardware and software use through a GenAI-enabled software platform that simulates target-use environments and provides optimized performance and UX.

Conversational AI



Used through natural language dialogue user interfaces to greatly enhance the communication between systems and users throughout the entire product journey



Example:

A chatbot can proactively engage with users to guide them in training or in troubleshooting applications.

AI agents



Autonomous or semiautonomous software entities that use AI techniques to perceive, make decisions, take actions and achieve goals in their digital or physical environment



Example:

A GenAI autoagent can assist users in interacting with large language models (LLMs) to automate multiple tasks — for example, to plan a trip, access multiple travel websites, and compare and book the best-priced hotel and airline tickets.

4 key actions when deciding where and when to add GenAI capabilities into your products

1

Identify the key players

See how technology offerings are evolving and spot the best candidates for partners, channels and acquisition.



2

Assess product capabilities

Understand how GenAI-enabled innovations can add value to your product portfolio and keep you competitive.



3

Understand user needs

Target GenAI-powered capabilities to solve real business problems and feasible use cases.



4

Perform market gap analysis

Identify potential areas to expand first with new or updated products and services.





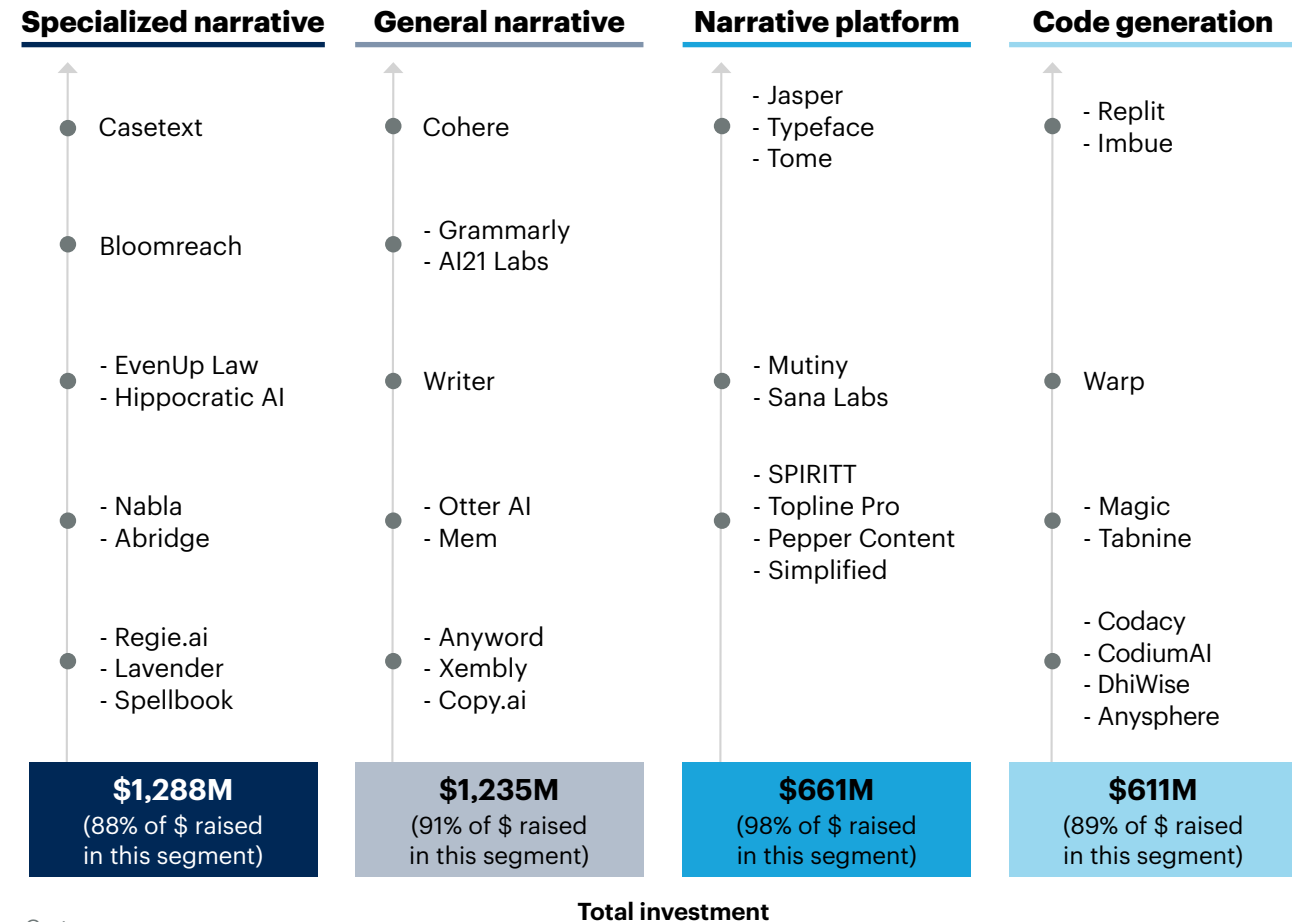
Identify the key players

Identify key GenAI market players and understand how they are evolving the technologies

It is critical for product leaders to understand the market players to make crucial decisions on how the technology will evolve and determine the best candidates for partners, channels and acquisition. Techscapes highlight the key players and how they are advancing GenAI.

VC funding into companies using GenAI for textual content creation

Gartner studied 119 GenAI startups focused on textual content creation that received venture capital (VC) funding from January 2021 through December 2023, collectively raising ~\$4.2 billion. Top VC fundraisers in each segment are shown below.



Source: Gartner

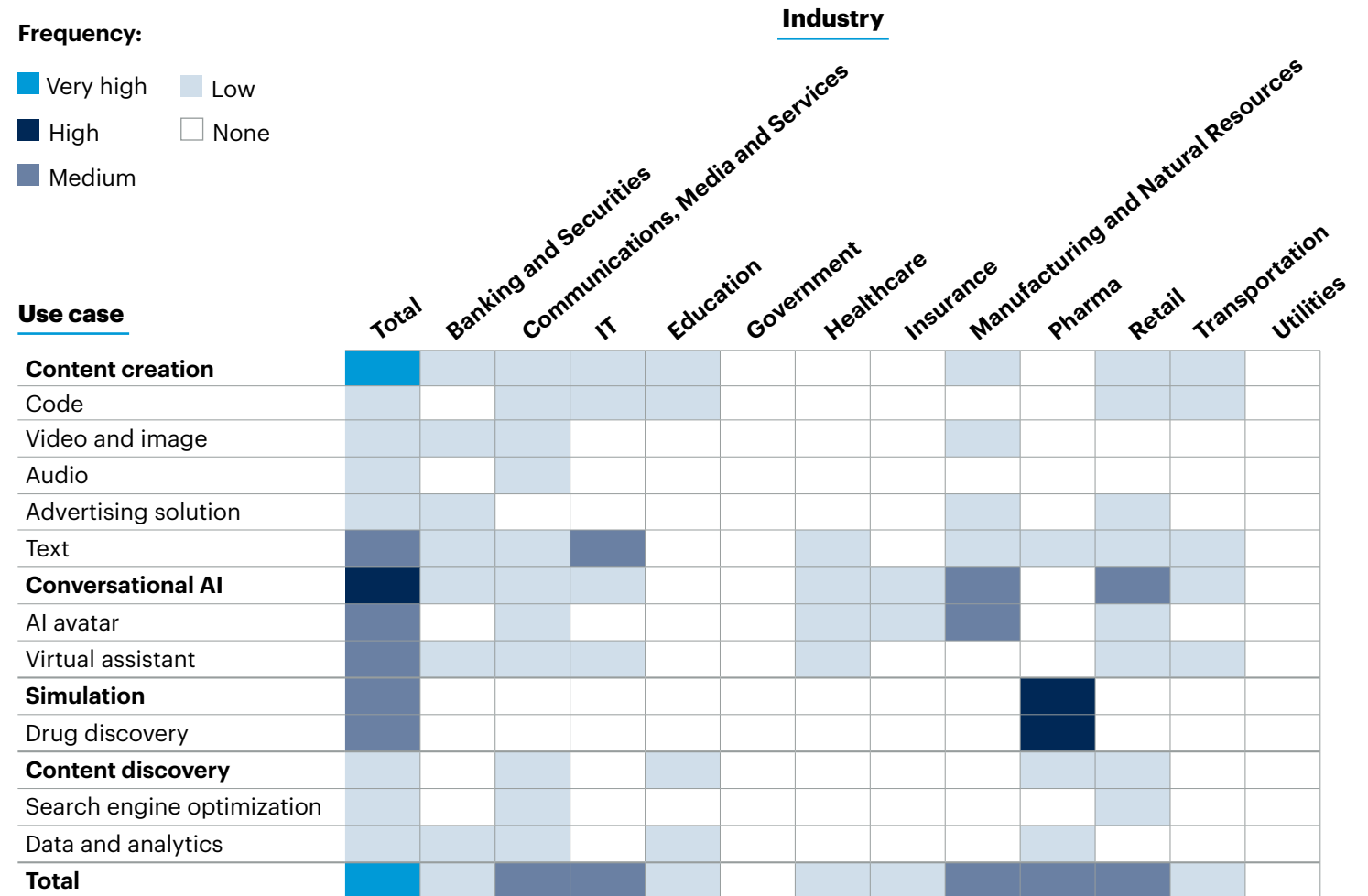


Assess product capabilities

Add GenAI capabilities to your product roadmap to stay competitive

Early use cases and adopters have emerged (illustrated here), but plan for future GenAI opportunities by assessing GenAI's unique ability to deliver business value in generating designs, predictions, digital twins and more.

Generative AI use cases by industry



n = 80
Source: Gartner



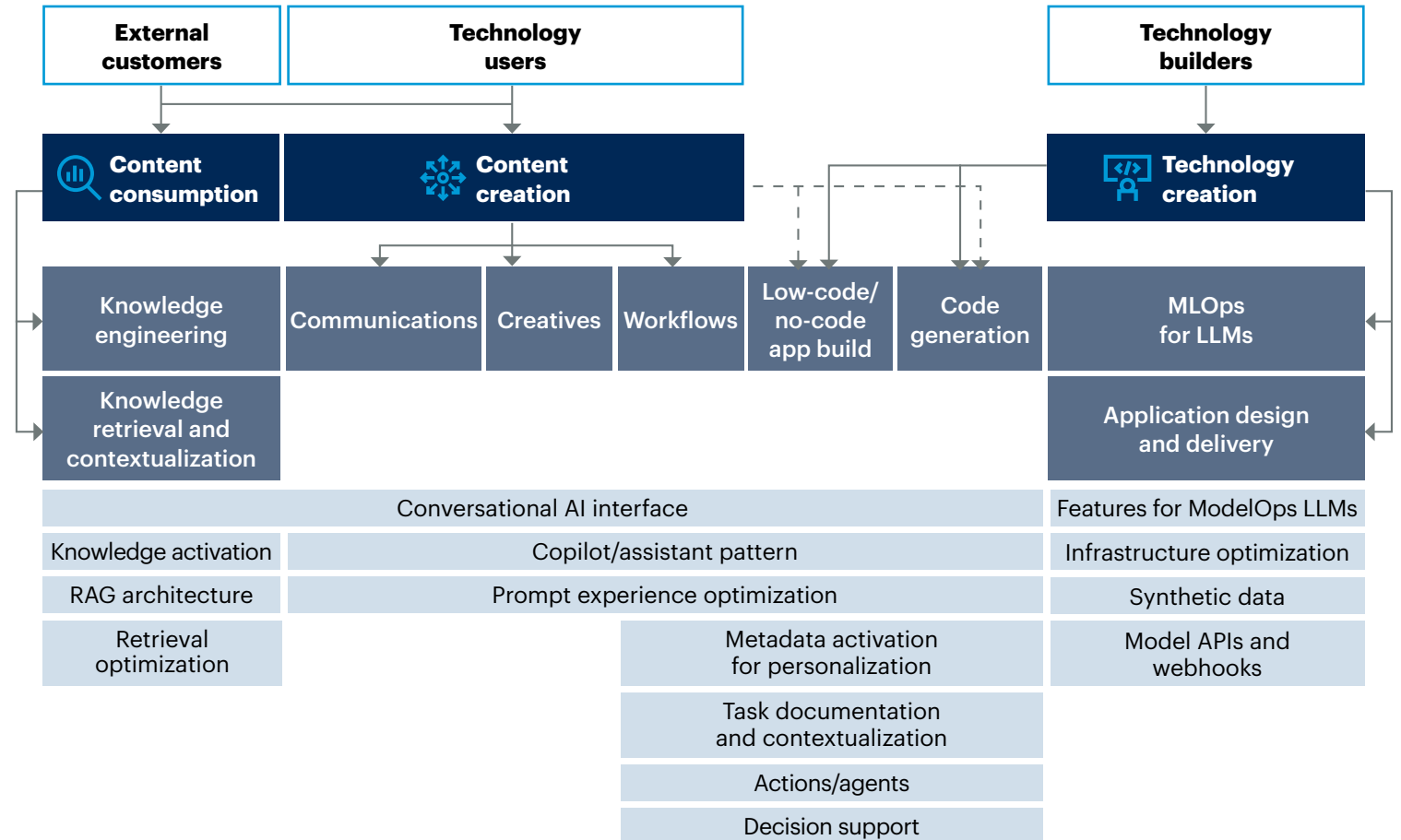
Understand user needs

Consider how users will interact with embedded GenAI in the context of business tasks

Independent software vendors (ISVs) are already reinventing the user experience of both consumers and workers.

By 2026, more than 80% of ISVs will have **embedded GenAI capabilities** in their enterprise applications, up from less than 5% today.

Generative AI disruption and tech vendor focus



Source: Gartner



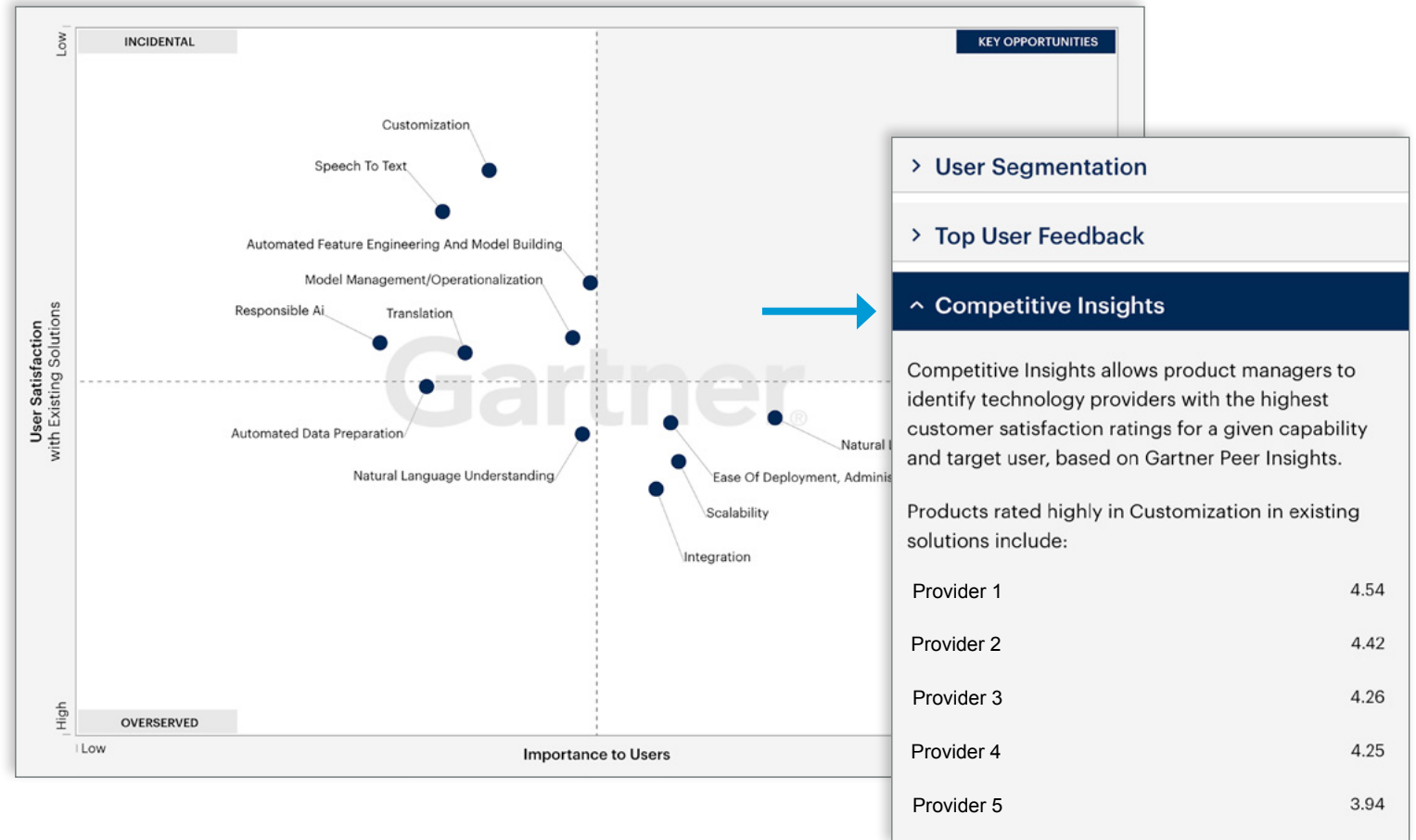
Perform market gap analysis

Scope the state of competitive offerings

With a tool like **Gartner Product Decisions**, evaluate the current state of offerings for certain capabilities, as well as competitive insights on the way tech providers stack up in offering those capabilities.

→ [Get started with Product Decisions](#)

Illustrative current view of generative AI apps



Next steps for tech product managers considering GenAI capabilities

→ Explore the potential of GenAI

Stay informed about the latest advancements in GenAI and understand how it can be applied to improve products and services.

→ Leverage four key capabilities

Integrate synthetic data, personalization, conversational AI, and AI agents into product development to enhance quality, customer experience and time-to-value realization.

→ Democratize software development

Use AI agents to automate complex tasks and increase productivity in software development processes.

→ Embrace software-defined hardware

Invest in AI technology to transform hardware with software-defined capabilities, allowing for flexibility and adaptation to meet customer needs.

→ Simulate digital moments

Use GenAI to simulate real-time events and test integrated solutions that address customers' business priorities, helping them realize value more quickly.

Actionable, objective insight

Explore these additional complimentary resources and tools for tech product management leaders:

Tool



Gartner Product Decisions

Inform your product strategy and roadmap with this tool.

[Learn More](#)

Webinar



Vertical AI for Tech and Service Providers: The Next Frontier in Generative AI

Apply AI in vertical areas to address industry-specific problems.

[Watch Webinar](#)

Research



Emerging Technologies and Trends for Tech Product Leaders

Identify, evaluate and monetize emerging technologies in your product portfolio.

[Download Research](#)

Webinar



The Innovative Technology Providers Driving the Future of Generative AI

Discover emerging market opportunities driven by GenAI advancements.

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