

The Smart Home Evolution

AI, Outdoor Innovation, and
the Next Wave of Home Improvement



NielsenIQ

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The Smart Home Evolves

Consumer interest in smart living is expanding beyond traditional connected devices, with AI-powered experiences and outdoor technology emerging as key drivers of adoption.

As consumers seek smarter, more personalized solutions, AI is enhancing everything from home automation and energy management to entertainment and security. At the same time, innovation is moving outdoors, with connected products for outdoor cooking, lawn care, recreation, and home monitoring gaining traction.

Inside, we will cover:

- What is Driving Smart Home Upgrades Today?
- AI Integration into Smart Home Technology
- Brands that are Breaking Through
- A Spotlight on AI Shopping Trends
- Outdoor and Lawn Tech
- The Future of Smart Home Technology



What's driving smart home upgrades?

Consumers are investing in smart home technology to enhance convenience, security, and everyday efficiency.

Which are the most important reason(s) for any smart home upgrades?

58%

Lower utility bills

57%

Safety/security

57%

Convenience

35%

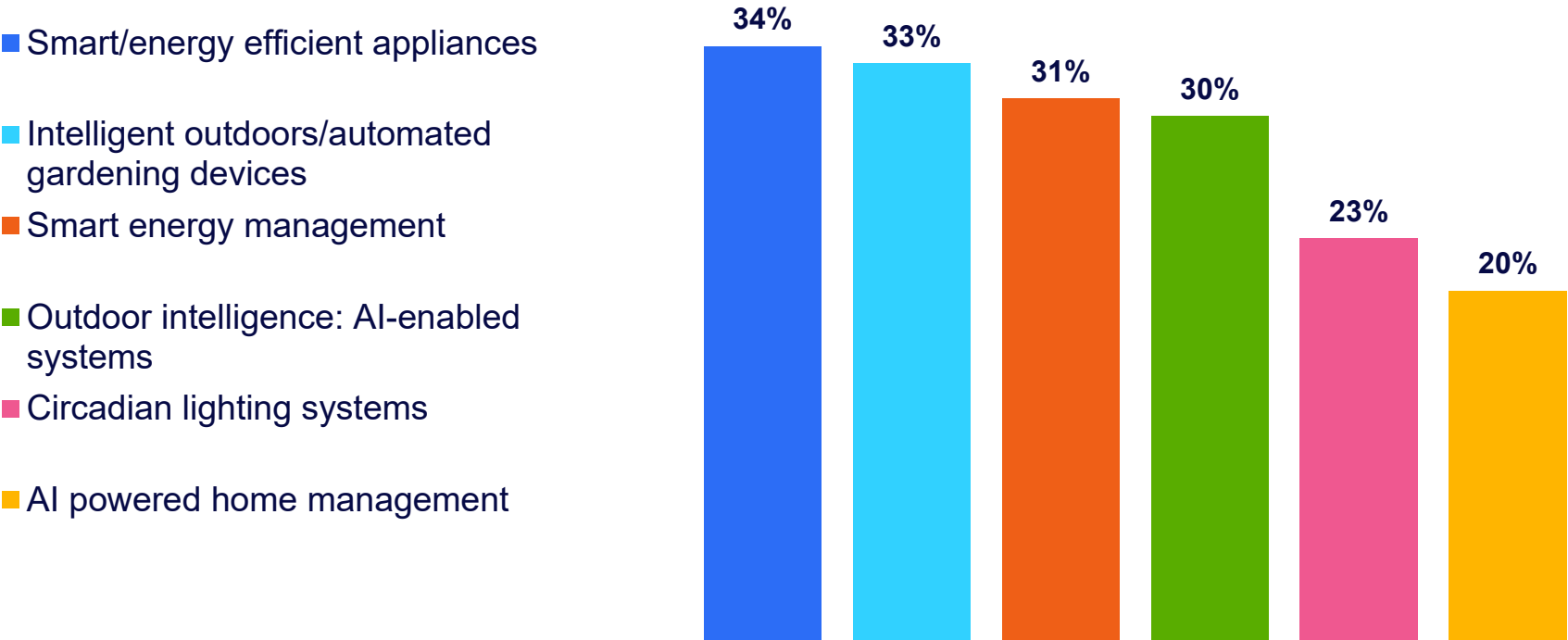
Reduced Water Use



Smart Tech Drives Interest in Home & Garden Renovations

3-in-4 shoppers will consider smart technology in home upgrade purchases. Energy management and outdoor intelligence rise in consideration.

Which of the following would you be most likely to consider for your renovation or upgrades?

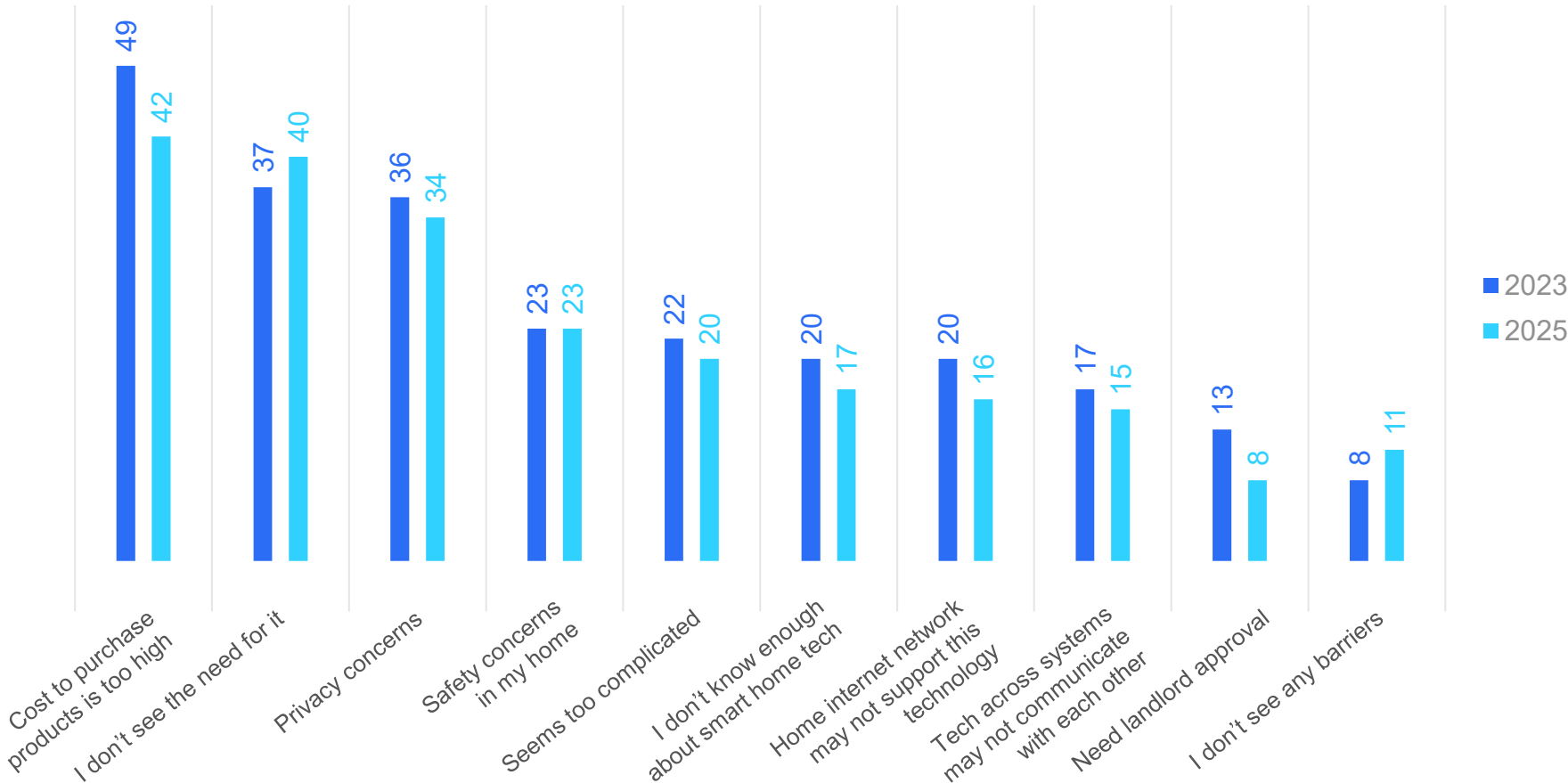


Homes are Getting Smarter

Barriers are coming down for smart home adoption.

A note of caution—apathy has edged up, approaching cost as a top obstacle.

% of Americans citing the following as what would stop them from purchasing smart home products



27% of Americans used smart home products in the past 30 days.



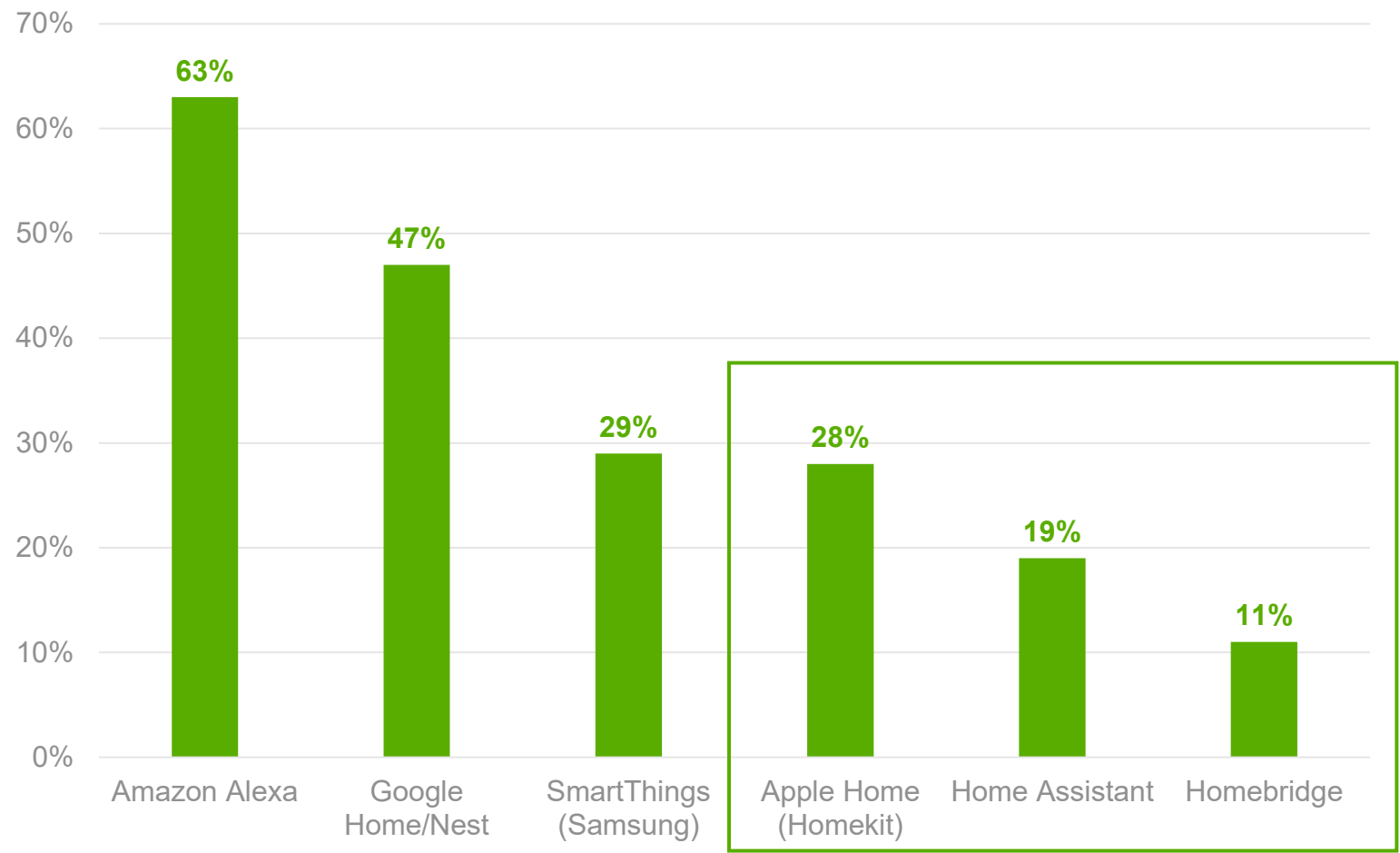
This is led by **parents with kids < 18 (39%)**, Millennials (34%), HHI \$50K-\$99.9K (34%), Gen Z (33%), Asian Americans (33%), and HHI \$100K+ (33%).

Source: NIQ Consumer Life 2025 Global Q4

Renovation/Upgrade Smart Home Brands

Amazon Alexa leads as the top smart home brand that renovation/upgrade shoppers would consider purchasing, followed by Google Home/Nest and SmartThings (Samsung).

Which smart home brands/devices would you consider purchasing?



A Look at Professional Renovations



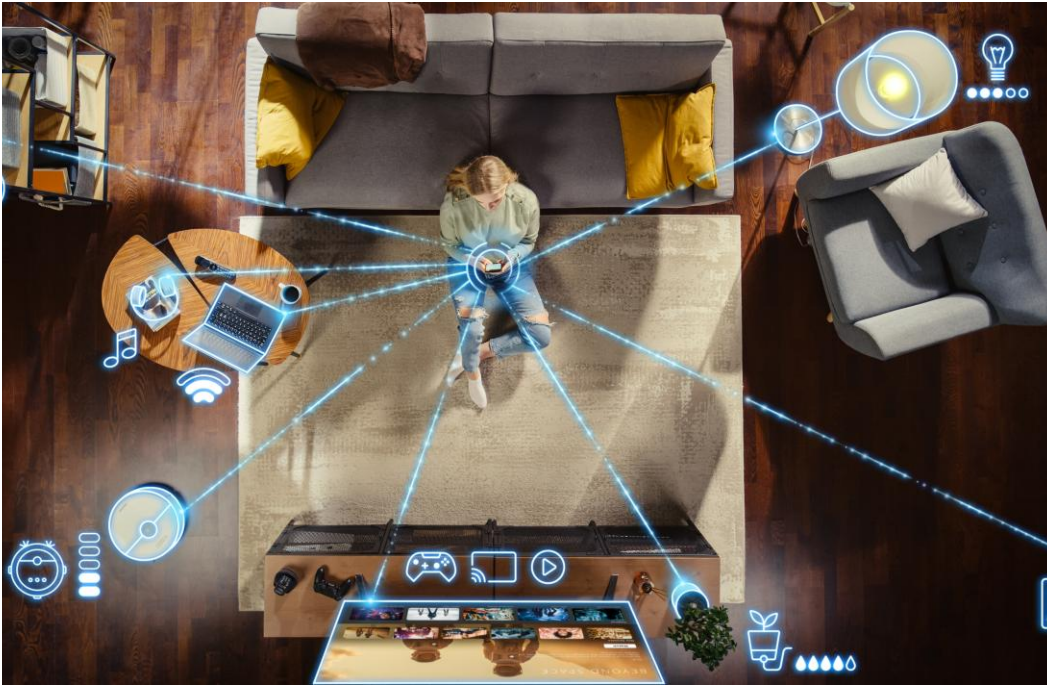
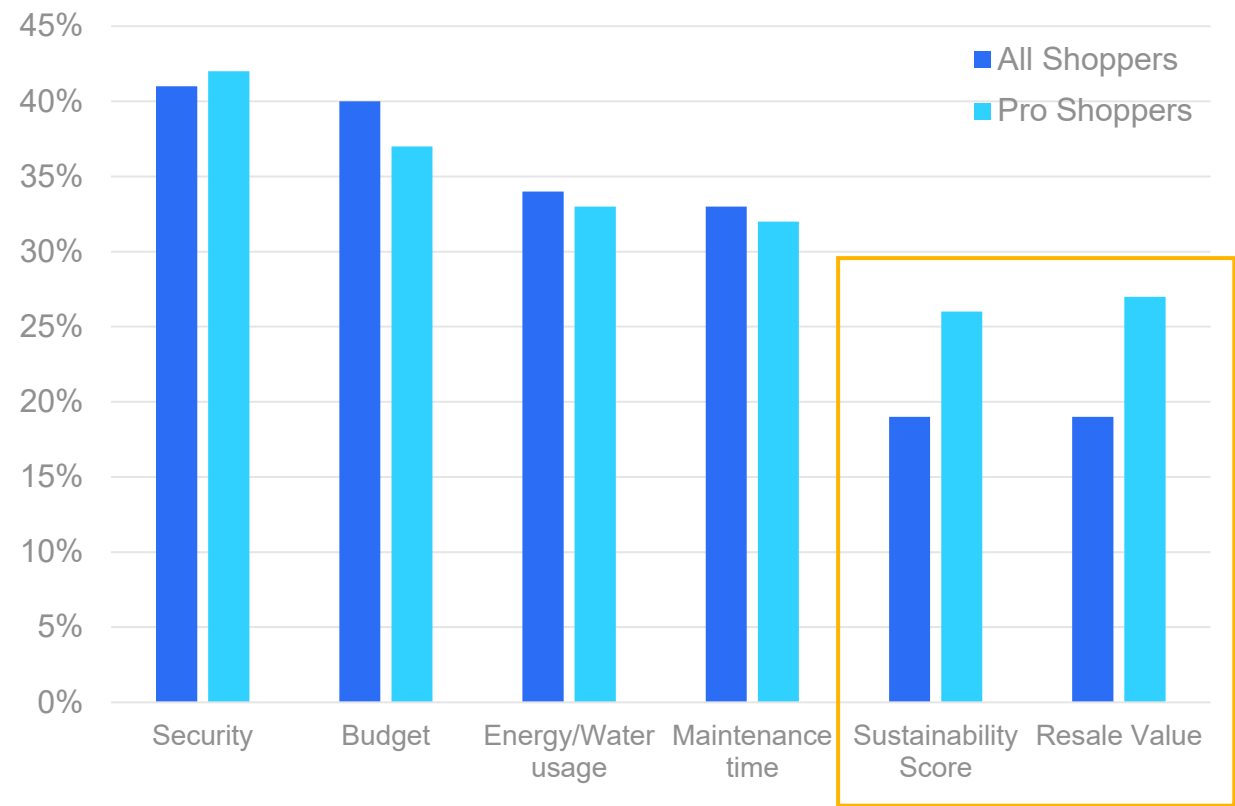
While Amazon and Google have high awareness levels, consumers seeking professional renovations index **9 points higher** on Apple Home and **7 points higher** on Home Assistant and Homebridge.

AI Optimization in Home Upgrades

Shoppers seek to utilize AI to optimize security and project budgets.

Which of the following would you like AI to optimize for your renovation or upgrade project?

All Shoppers vs. Pro Shoppers

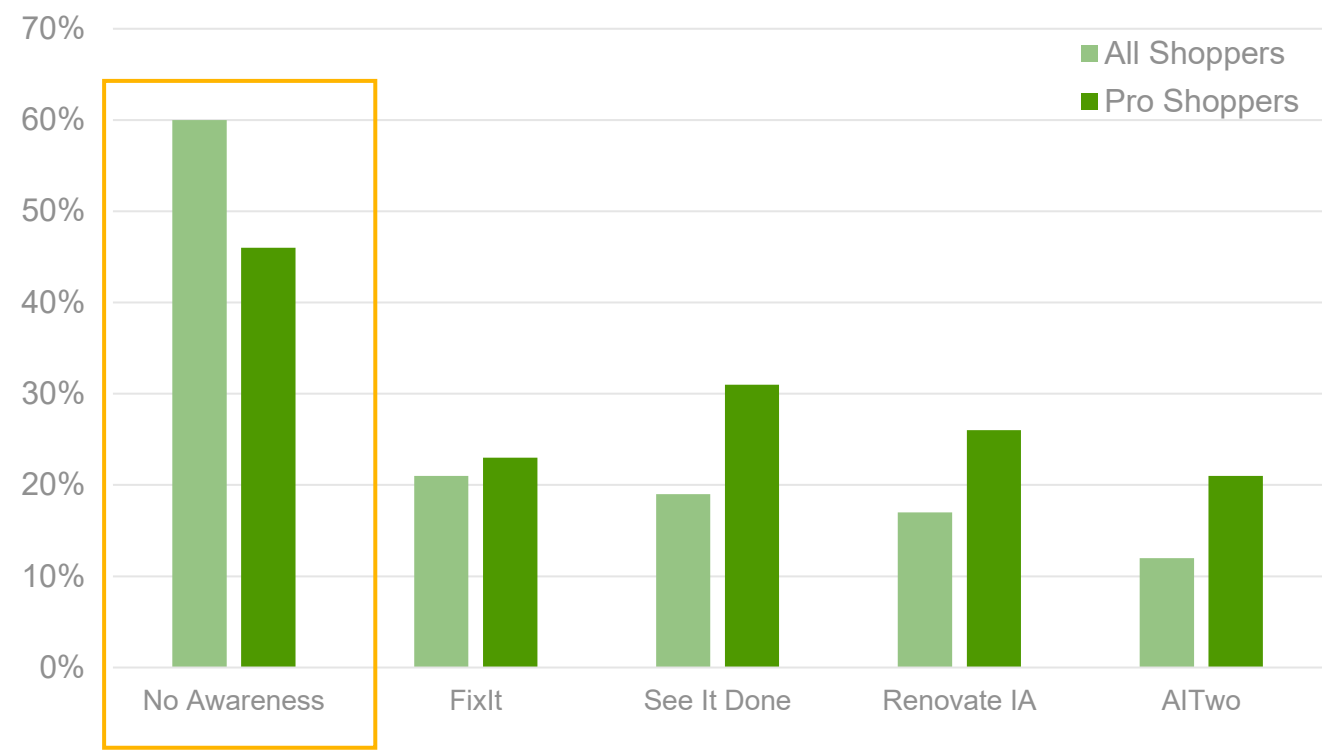


→ **Sustainability Score and Resale Value** highlight the largest barrier gaps between all shoppers and pro shoppers.

AR/AI Planning & Design Services

AR/AI planning apps and services lack awareness among home improvement shoppers.

Which of the following augmented reality or 3D visualization apps/services, if any, are you familiar with?

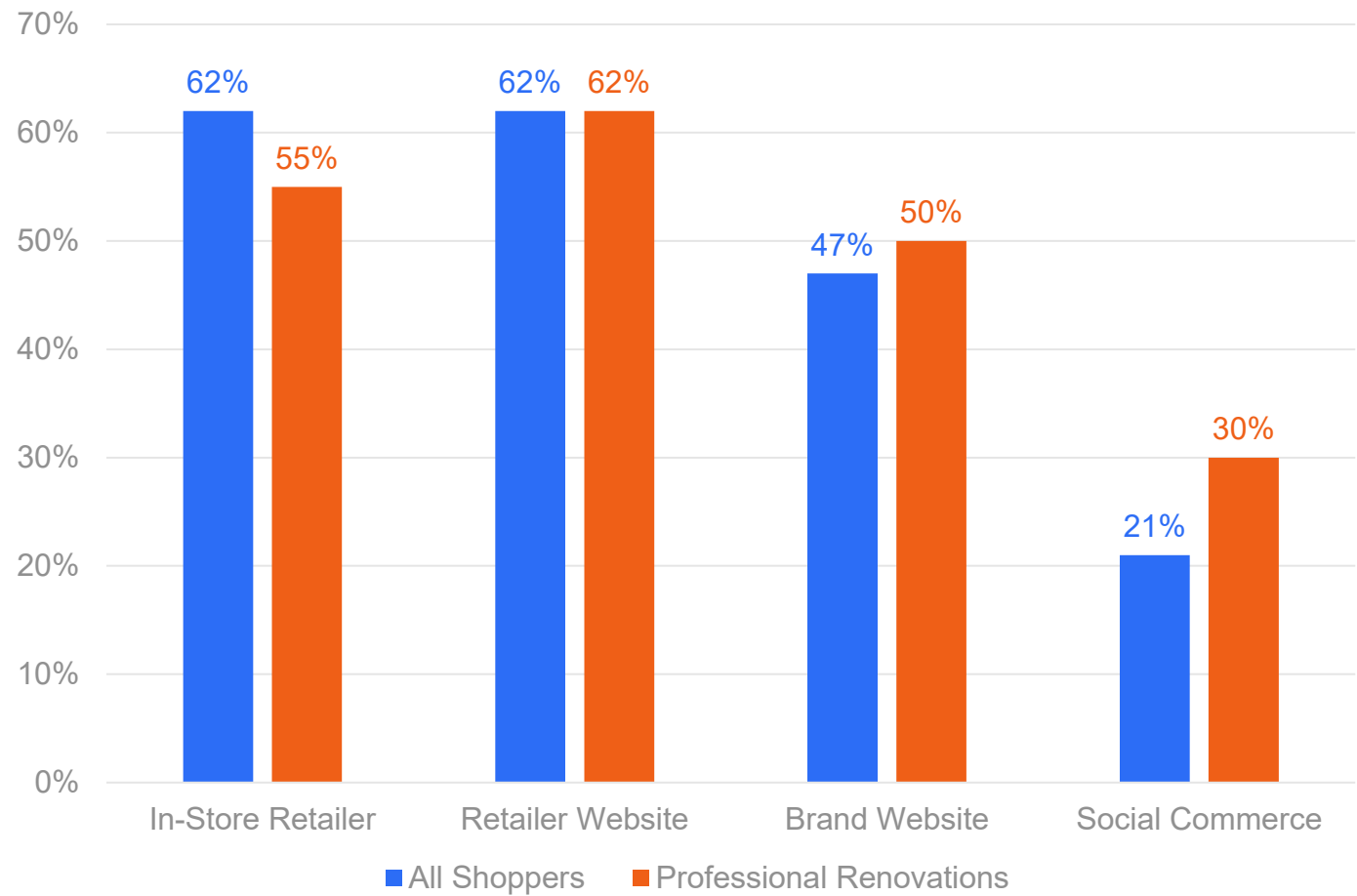


Professional shoppers show greater awareness of AI/AR planning tools.

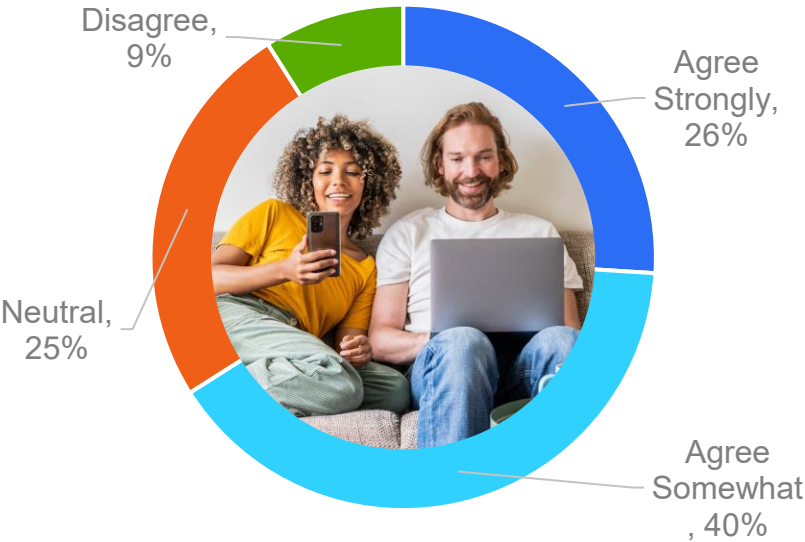
Smart Home Research Channels

Home upgrade shoppers use a mix between the in-store experience and online channels. Professional shoppers over-index on social commerce channels.

If you were looking to buy tech-enabled products, where would you be most likely to research these products before purchasing?



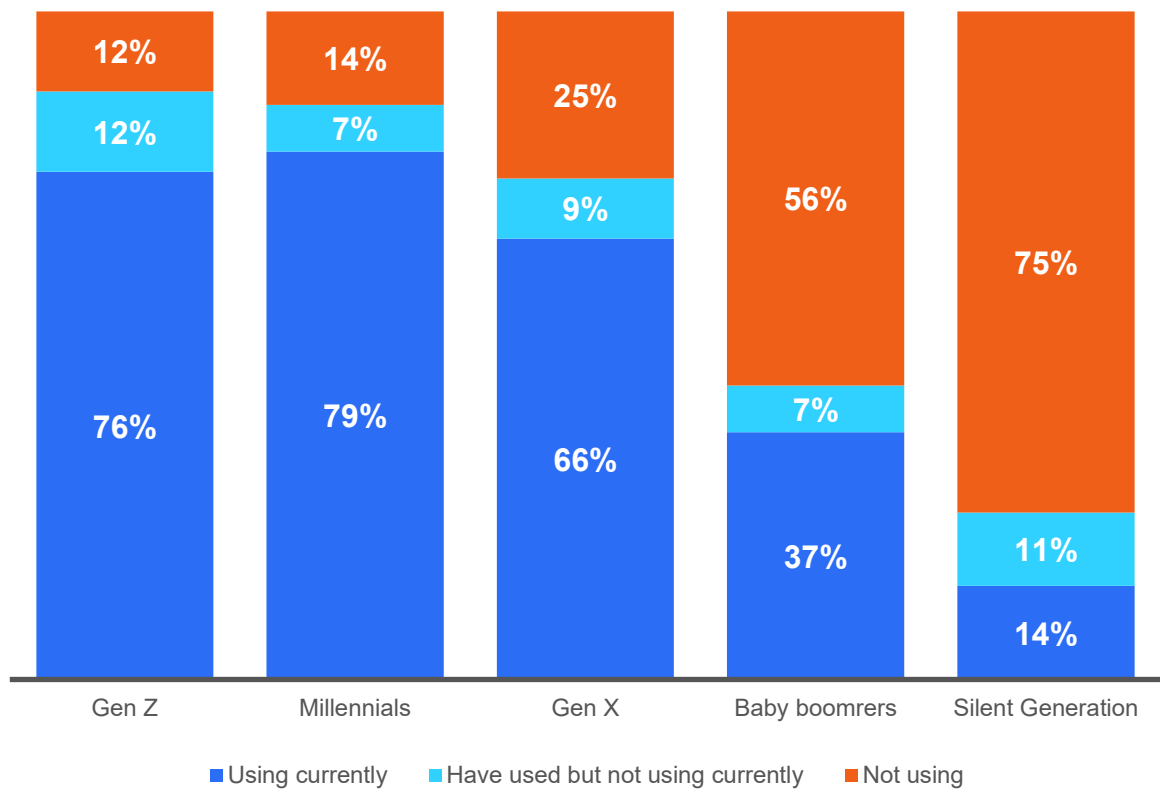
I find it helpful when a retailer suggests products to me based on my previous purchases/preferences.



A Look at AI Shopping

Consumers are already incorporating AI into everyday decision-making. The majority of shoppers would take AI-recommended brands into consideration and would switch brands if the AI-recommended brands offer lower pricing.

Percentage of US Consumers using generative AI

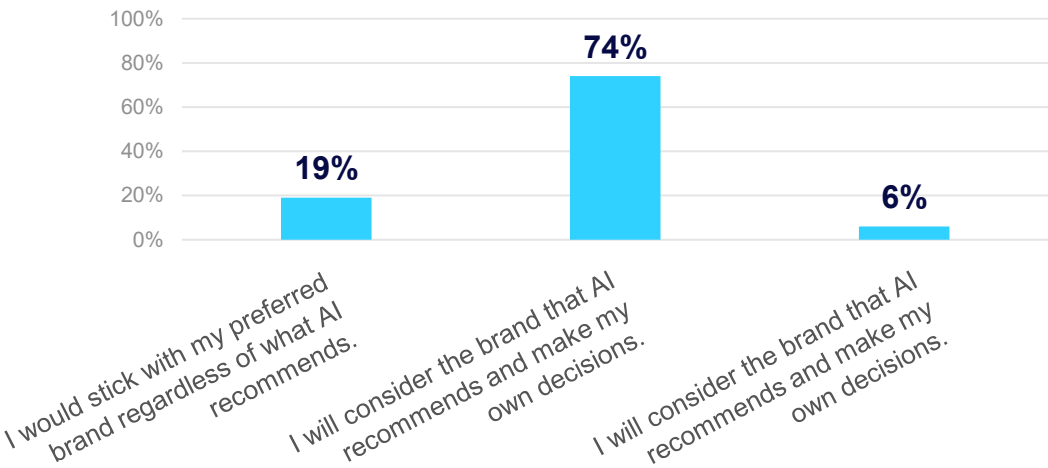


49%

Nearly half of Gen Z, Millennials and Gen X **trust AI for Shopping Recommendations.**



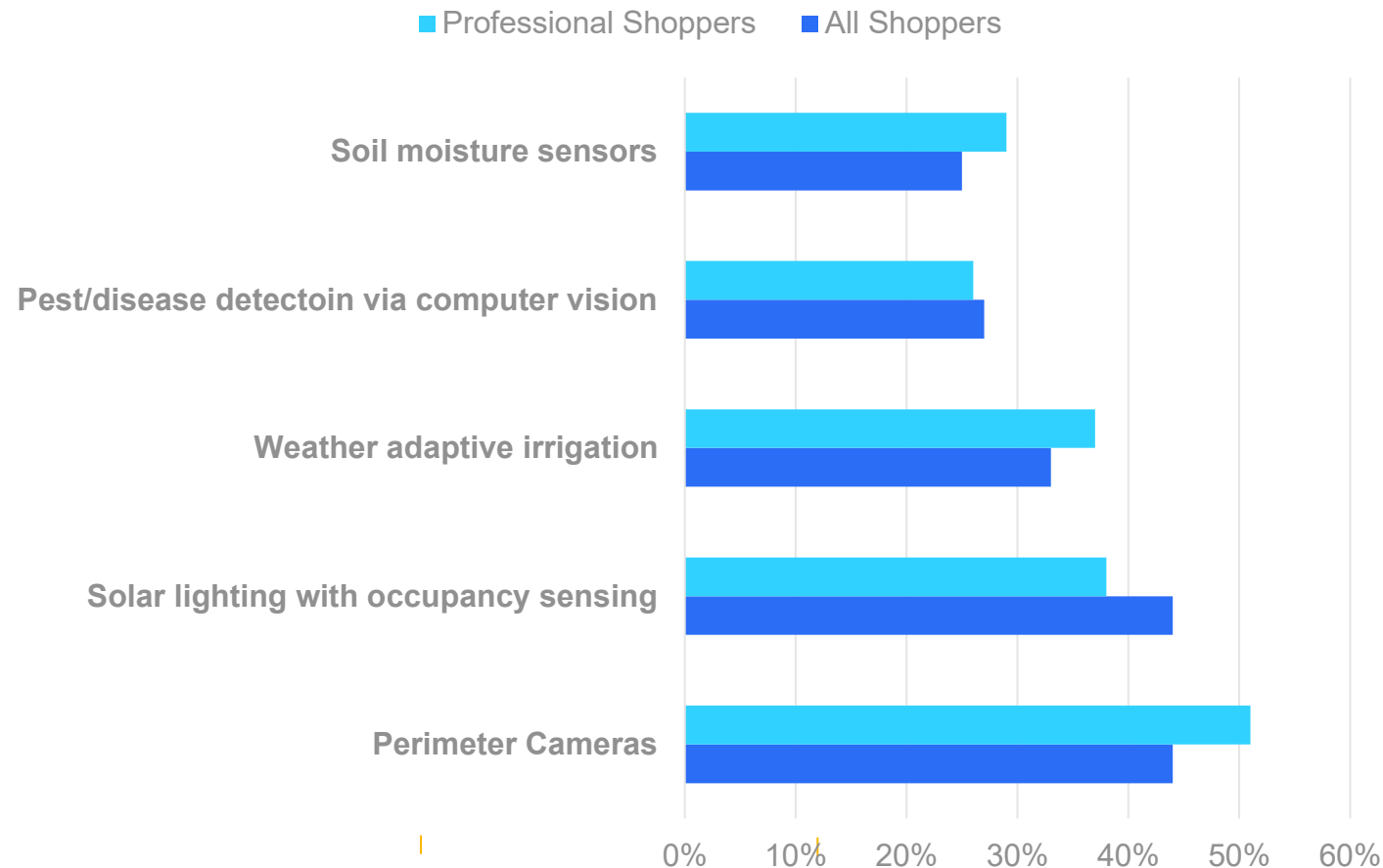
Brand Decision When Using AI Tools



Intelligent Outdoor Features

Shoppers looking to integrate smart features into the outdoors are led by security features including cameras and sensory lighting.

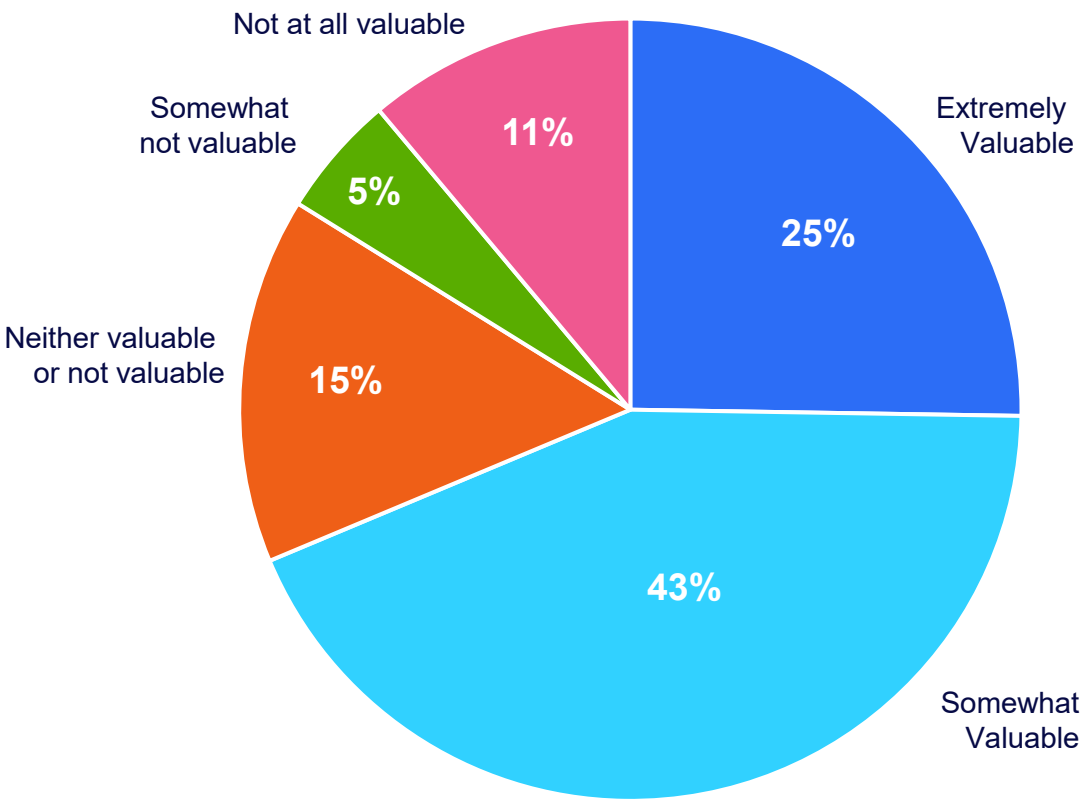
Which of the following, if any, outdoor automation features would you consider for your renovation or upgrade project(s) this spring season?



Perceived AI Usability Outside the Home

Lawn and garden renovators perceive AI as valuable when upgrading their outdoor spaces.

How valuable would AI-generated design options (such as layouts, plant selection, material lists, etc.) be your renovation or upgrade projects(s) this spring season?



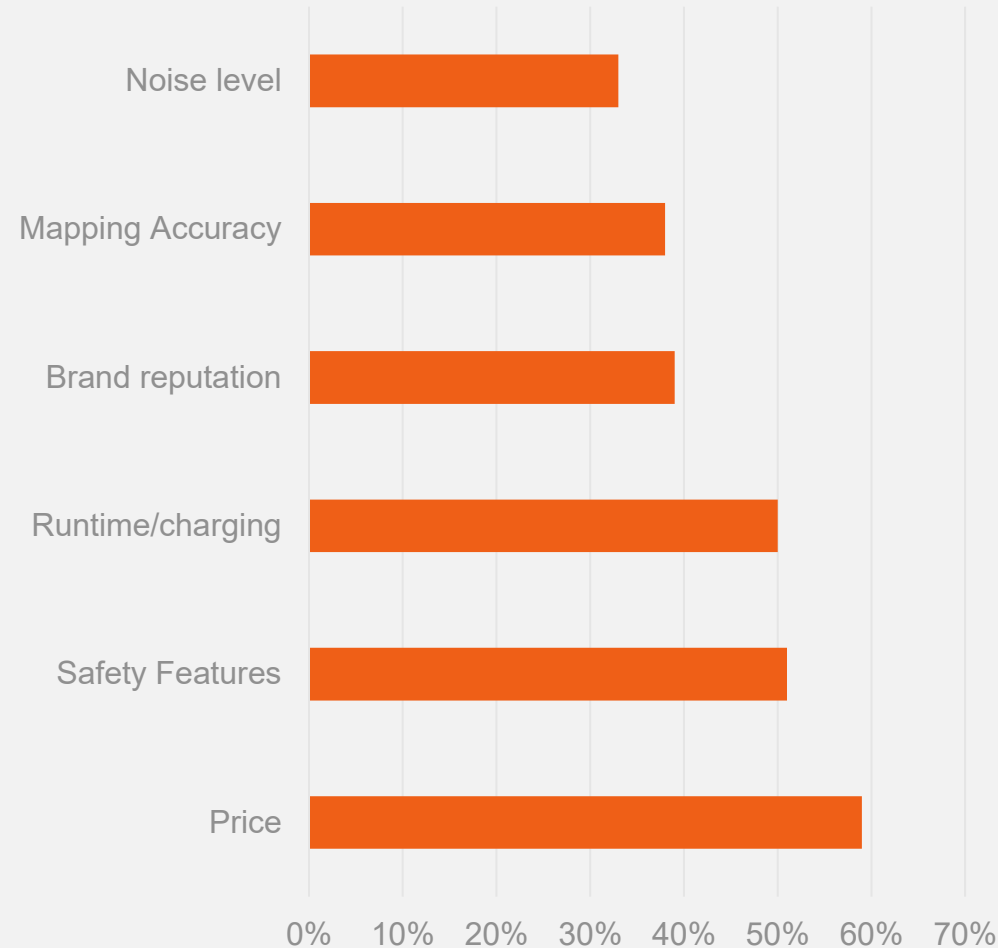
Interest in Yard Robotics

More than half of consumers have interest in yard robotics such as mowers, leaf blowers/collectors or snow removal to renovate or upgrade their homes.



A Spotlight on Robotic Mowers

Price, safety and runtime are most important to consumers when considering a robotic mower.



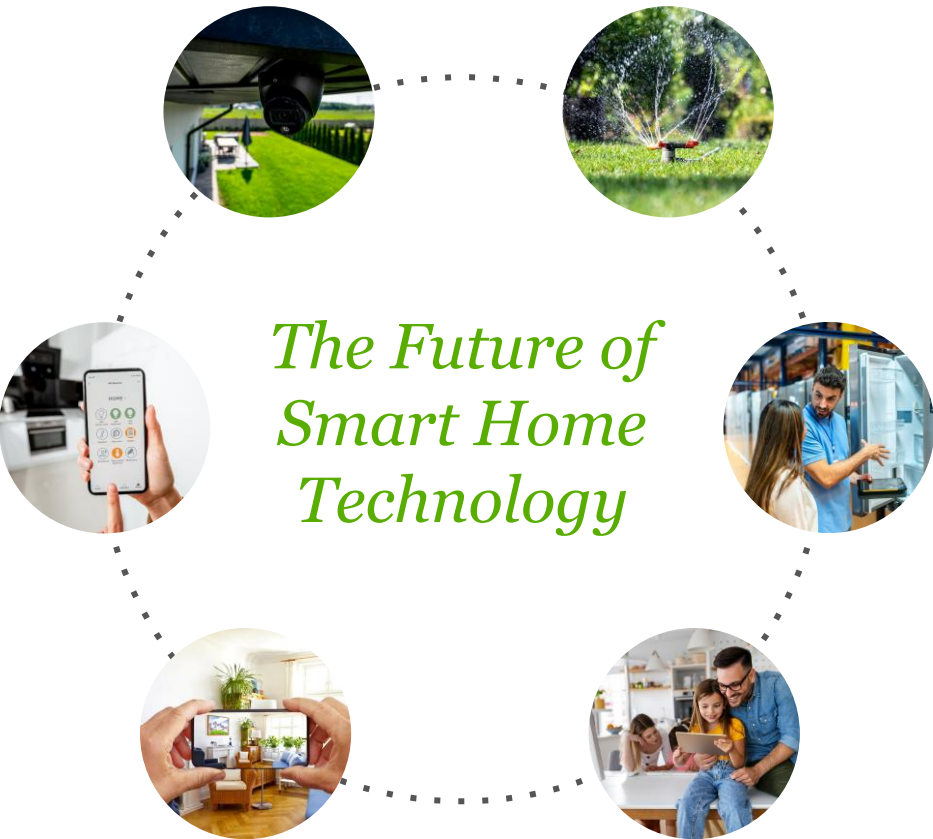
From Insight to Impact: The Smart Home Opportunity Ahead

Adoption, Expectations, and What's Next

Lead with practical ROI, not novelty. Utility savings, security, and convenience outrank "smart for smart's sake".

Apple and Google command smart home ecosystem trust, but professional renovators over-index with other services.

AR/AI design and planning tools are still a blind spot. Brands that invest in awareness-building here face relatively little entrenched competition.



Invest in outdoor as a growth category. Outdoor automation is a rapidly rising area of innovation and consumer interest.

AI's value proposition should center on security and budget. These rank as top areas shoppers want AI to manage in home projects.

Meet shoppers across both physical and digital research channels, but don't ignore social commerce for pro-targeted campaigns.

Thank you for reading...

The Smart Home Evolution



Contact NielsenIQ

Winning in smart home tech starts with understanding your consumer.

Connect with the NielsenIQ team to get a complete view of sales and competition across retail, D2C, and marketplaces. Unlock deeper insights into what drives purchase decisions, so your brand can stand out where it matters most.



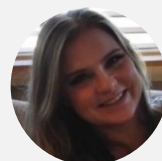
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About this Study

NielsenIQ BASES Quick Question

- Primary Audience:
Customers who plan to renovate or upgrade their homes in 2026. N = 500
- Generational Age Cuts
 - Gen Z – 18-28 years old
 - Millennials – 29-44 years old
 - Gen X – 45-60 years old
 - Boomers – 61-80 years old

Learn more about NIQ Tech & Durables

NIQ and GfK together provide the world's most comprehensive network of panels and long-term studies, tracking point-of-sale (POS) data and shopper behavior across the technology and durables industry.

[Visit our Tech & Durables hub](#) to learn more.