

Humane shifts focus to Al software after wearable struggles

Article



The news: Humane, maker of the beleaguered <u>Ai Pin wearable</u>, is pivoting its technology into a software-as-a-service (SaaS) offering.

• Humane is marketing the Ai Pin's operating system, CosmOS, as a feature for cars, smartphones, PCs, and smart home devices.

- CosmOS works as an Al-powered voice assistant that reads emails and text messages, sets event reminders, provides restaurant recommendations, and controls smart home settings.
 - **Failure to launch:** In October, **Humane slashed the price of its Ai Pin to \$499** from \$699 after returns outpaced sales. The device still requires a \$24 monthly wireless subscription.
- Reviewers of the Ai Pin have criticized its buggy responses, tendency to overheat, and other technical issues.
- Humane reportedly started looking for a buyer within a month of the Ai Pin's April release.
 - **Looking to evolve:** Although Humane CEO **Bethany Bongiorno** said that no first generation "is perfect, nor is it ever the complete vision," the company hasn't produced a next-gen product.
- Instead of revamping the wearable, Humane is separating its technology from the product, allowing it to stand on its own.
- Rebranding itself as an AI software company could help Humane focus its spending on model improvement and avoid the costs of designing, manufacturing, and selling hardware.
 - Who will use the software? The company's announcement video for CosmOS shows it being used to ask for driving directions or change a smart home's thermostat. However, the car's steering wheel logo is blurred out and the device's design is obscured.
- Humane seems to be pitching an idea for where the software could be used, but concrete hardware partnerships have yet to be announced.
- Flaws with the Ai Pin's software were part of the wearable's problem, so marketing the technology on its own might be a hard sell.
 - Our take: Voice assistants can be difficult to monetize and haven't contributed big returns to brands like Apple, Amazon, and Google, putting Humane on an uphill battle to find its niche.
 - Licensing CosmOS to third parties is a start, but it'll need to demonstrate how its software could outperform **Alexa** or **Siri**.
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