



# ACTIVATE CONSULTING TECHNOLOGY & MEDIA OUTLOOK 2025 DISCOVERY & GENERATIVE AI

CREATED FOR ACTIVATE BY ASW



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# Generative AI will change how people search online

Up to **60%** of searches are already addressable through generative AI

## CURRENT STATE

### WAVE 1: OPEN WEB DISCOVERY

Content and information freely available to anyone, indexed by traditional search engines and generative AI platforms

Provides easily digestible and customizable information, with algorithm refinements and improvements in data quality (e.g. more up-to-date, diverse, and verified sources) expected to enhance accuracy

The remaining **40%** of searches will be addressable by generative AI

## FUTURE STATE

### WAVE 2: GATED CONTENT DISCOVERY

Content that requires user authentication or payment, or that restricts search engine crawling and indexing

Requires expanded partnerships and licensing deals between generative AI platforms and publishers before being able to fully disrupt traditional search engines

### WAVE 3: DISCOVERY-LED TRANSACTIONS

Transactions that typically require visiting external sites to complete (e.g. purchases on eCommerce sites, bookings on travel platforms)

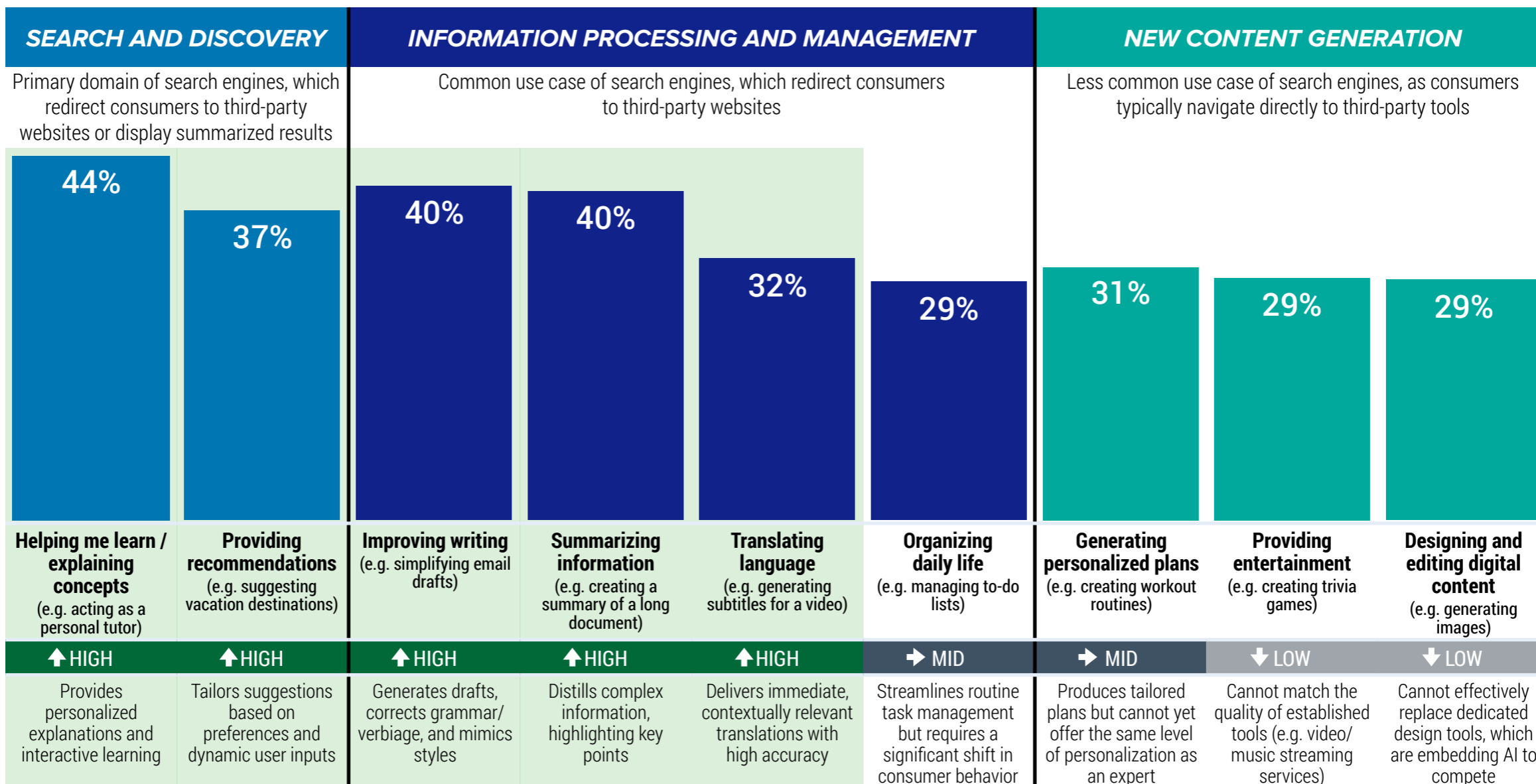
Requires technological advancements (e.g. ability to process payments and verify product authenticity) and consumer acceptance before disruption can occur

# Generative AI will become people's default tool across an array of use cases

GENERATIVE AI USE CASES, U.S., 2024, % MONTHLY GENERATIVE AI USERS<sup>1</sup>



Current role of search engines:

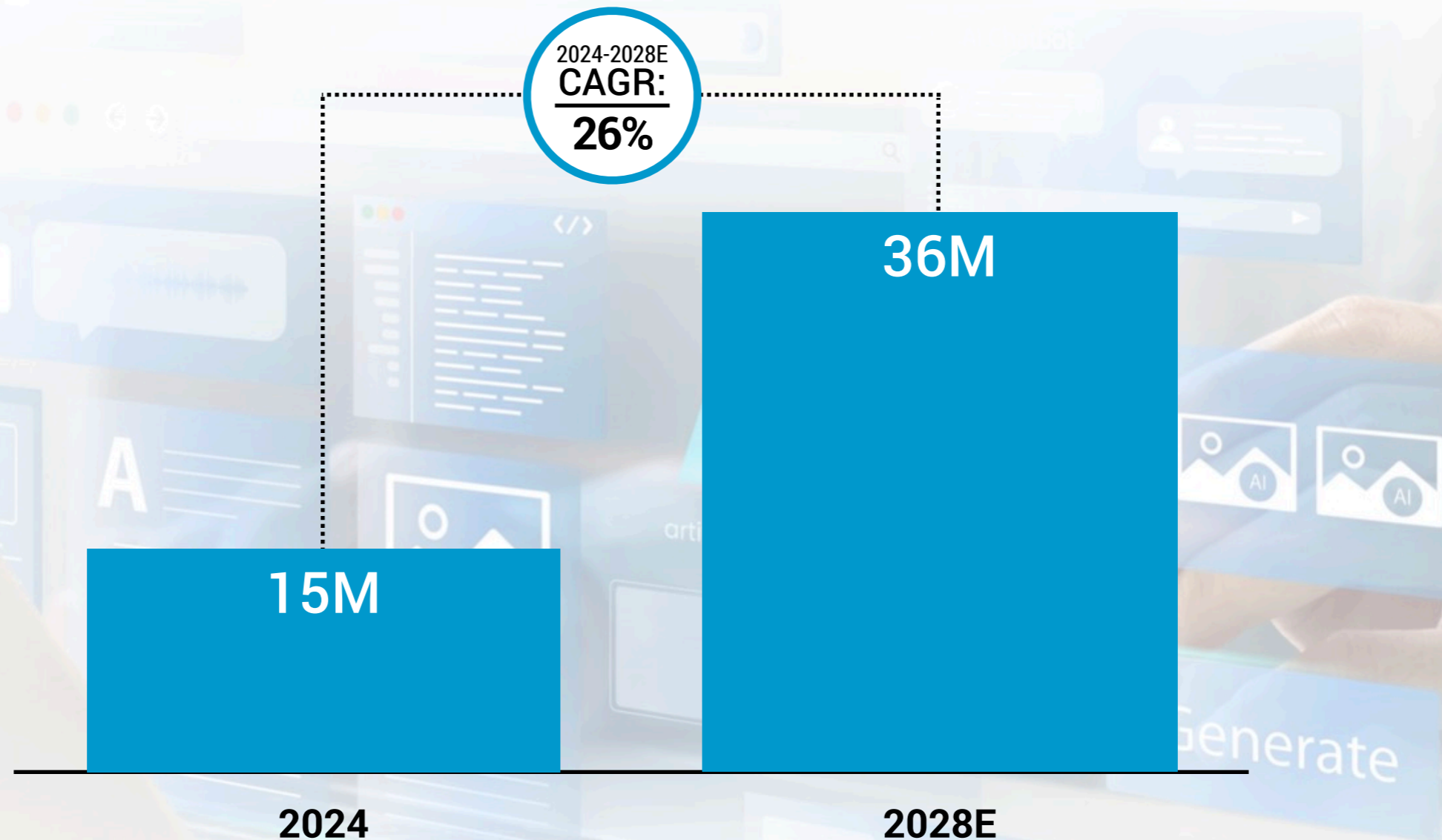


Near-term likelihood of generative AI becoming consumers' default tool:

1. "Monthly generative AI users" are defined as adults aged 18+ who use at least one generative AI platform at least once per month. Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004)

# 15M U.S. adults currently begin their online searches on a dedicated generative AI platform; we forecast this will grow to 36M by 2028, transforming the U.S. search market

USAGE OF GENERATIVE AI AS A FIRST STOP FOR ONLINE SEARCH<sup>1</sup>, U.S., 2024 VS. 2028E, MILLIONS ADULTS AGED 18+



1. "Usage of generative AI as a first stop for online search" is defined as typically starting the search process with a generative AI search service when looking for information online. Excludes generative AI overviews displayed in traditional search engine results. Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004), Semrush, U.S. Census Bureau

# Consumers are already using generative AI platforms as a substitute for search engines across many of their use cases



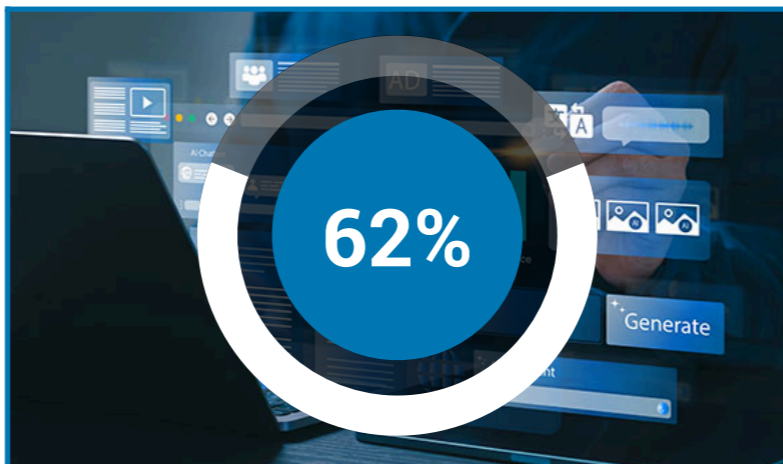
**USAGE OF GENERATIVE AI<sup>1</sup> BY SEARCH TYPE, U.S., 2024,**  
 % MONTHLY USERS OF BOTH GENERATIVE AI SEARCH SERVICES AND TRADITIONAL SEARCH ENGINES<sup>2</sup>



...typically use generative AI for  
**Exploration**  
 (to explore / learn about a topic)



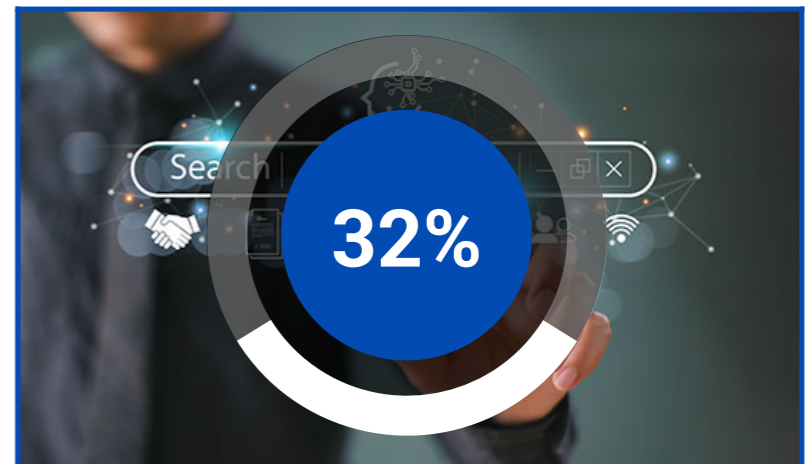
“What are the best women’s hiking shoes for cold weather?”  
 “How does blockchain technology work?”  
 “Who were the most influential pharaohs in Ancient Egypt and why?”



...typically use generative AI for  
**Direct Inquiry**  
 (to retrieve a specific fact or statistic)



“How many U.S. presidents have there been?”  
 “What day of the week is July 13th, 2025?”  
 “What is the biggest mammal in the world?”



...typically use generative AI for  
**Navigation**  
 (to find a specific website)



“YouTube login page”  
 “Nike customer support”  
 “The Wall Street Journal business section”

1. Includes consumers who typically use only generative AI search services for each search type and consumers who typically use both generative AI search services and traditional search engines for each search type. 2. “Monthly users of both generative AI search services and traditional search engines” are defined as adults aged 18+ who use both generative AI search services and traditional search engines at least once per month.

Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004)

# Generative AI platforms will become strong alternatives for eCommerce and content discovery searches



## eCommerce Discovery

**Generative AI significantly enhances product and service discovery, answering user questions and offering personalized recommendations that adapt to feedback in real time**

### *Example Use Cases:*

- Suggesting a specific product tailored to a user's needs and preferences
- Recommending a retailer based on user expectations regarding price, shipping speed, and quality of customer service



## Content Discovery

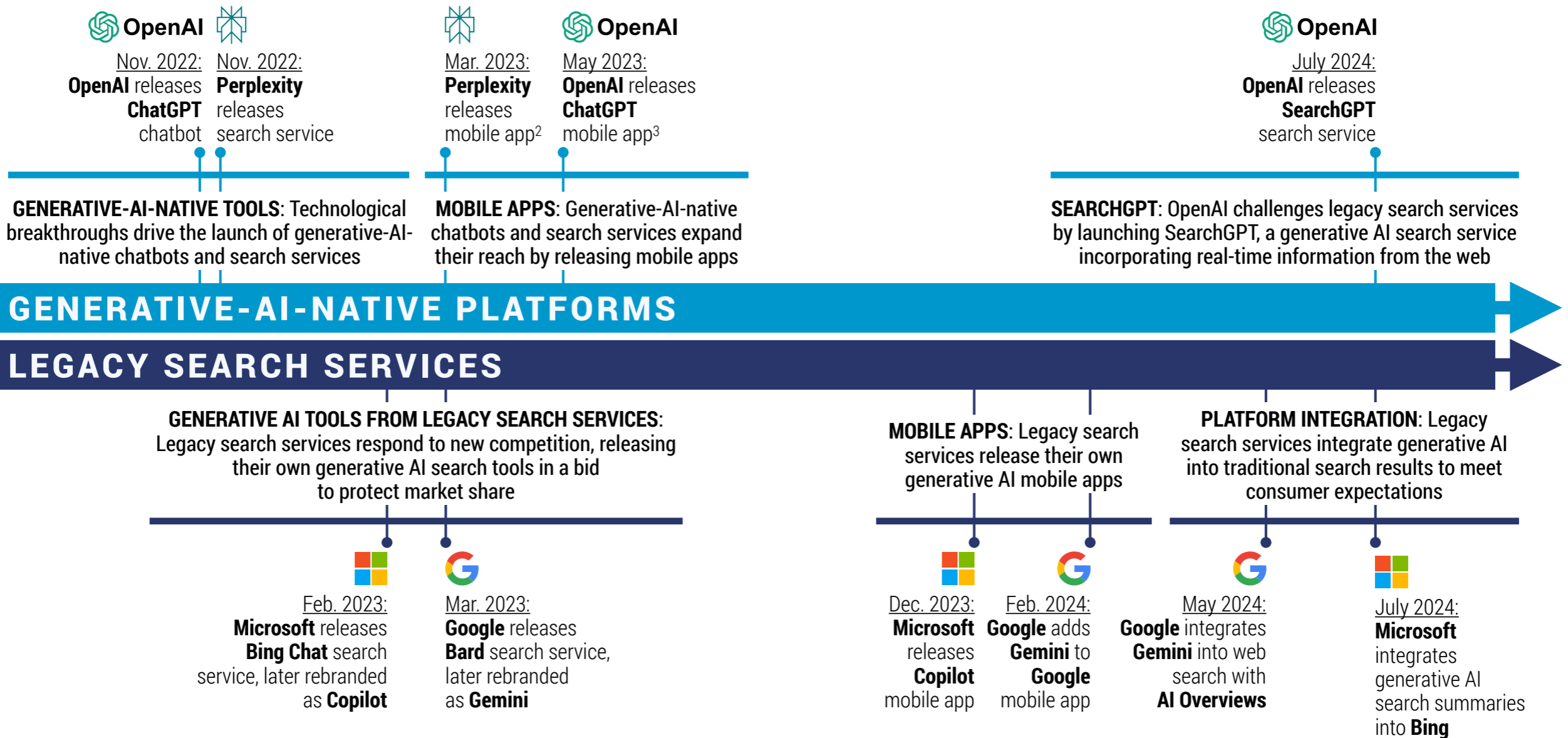
**Generative AI is transforming personalized content discovery, delivering highly customized recommendations that dynamically respond to user preferences and feedback**

### *Example Use Cases:*

- Creating and refining music playlists to match a user's tastes, mood, and setting
- Recommending movies that align with a user's preferred genres, plot structures, and visual styles
- Curating eBooks that explore a user's favorite themes with characters they will find engaging

# In response to dedicated generative AI platforms, legacy search services have integrated AI into their search experiences; nevertheless, people will still be likely to use dedicated AI platforms

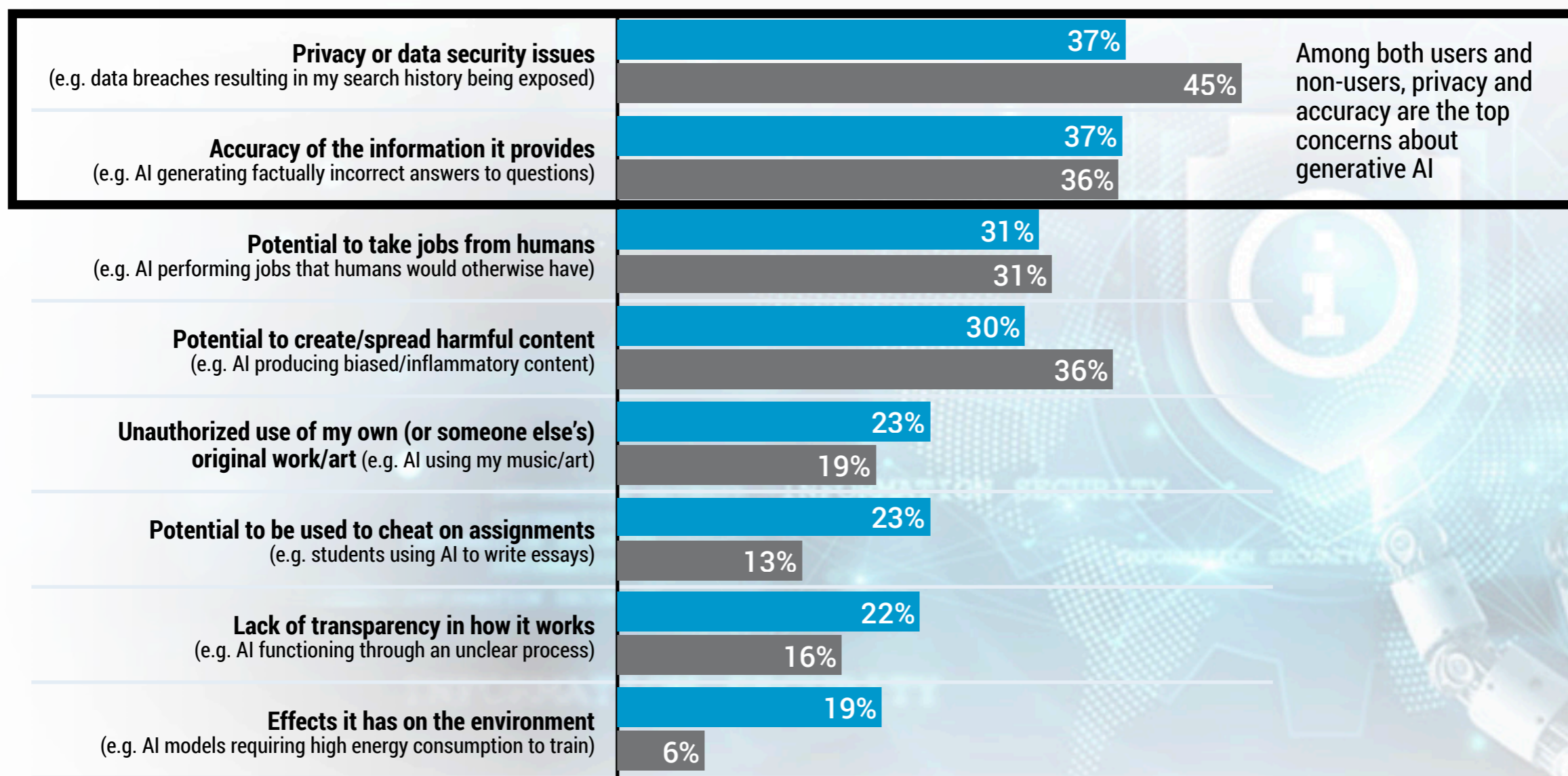
## TIMELINE OF SELECT MAJOR GENERATIVE AI CHATBOTS AND SEARCH SERVICES, NOV. 2022-OCT. 2024<sup>1</sup>



# Widespread consumer adoption of generative AI for search will accelerate as generative AI platforms address concerns about privacy and information accuracy

**TOP CONCERNS<sup>1</sup> ABOUT GENERATIVE AI, U.S., 2024, % ADULTS AGED 18+ WHO ARE AWARE OF GENERATIVE AI BY GENERATIVE AI USAGE**

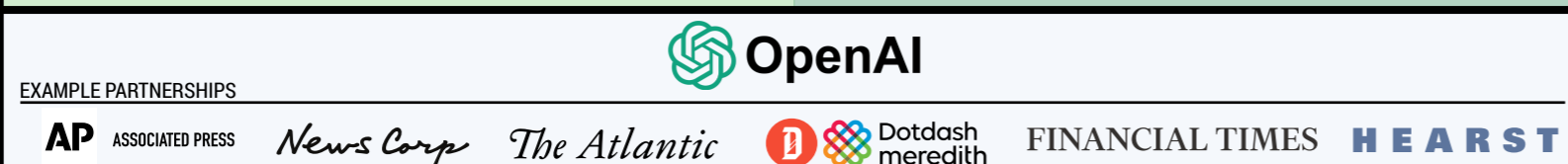

■ % Currently Use Generative AI   ■ % Do Not Currently Use Generative AI








# Digital publishers are actively pursuing generative AI partnerships to safeguard against the threat of being left behind by the next generation of search

## Content partnership structures are beginning to take shape...

Fixed Licensing Fees	Variable Licensing Fees	Revenue Sharing Agreements
Upfront payment for the right to use a publisher's content to train a generative AI model	Compensation that varies based on the level of user access to or engagement with a publisher's content through generative AI search results	Compensation based on the share of revenue generated whenever a publisher's content is used in generative AI search results
<p>EXAMPLE PARTNERSHIPS</p> 		<p>EXAMPLE PARTNERSHIPS</p> 

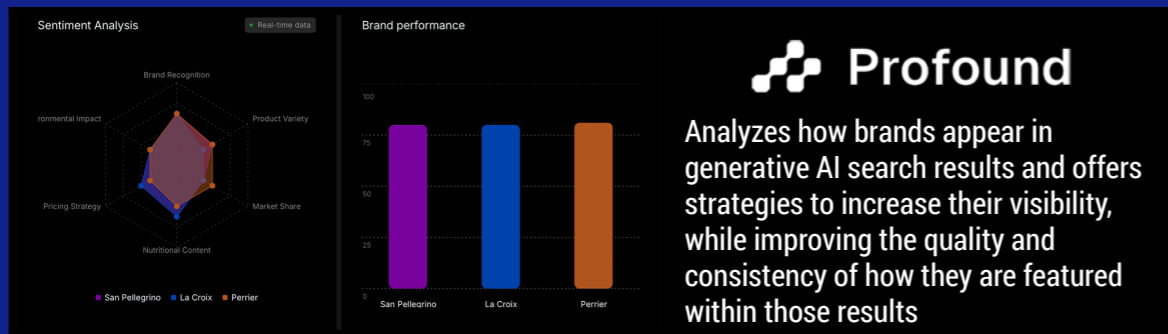
## ...as publishers without generative AI partnerships in place face existential risks

- 
**Web Crawlers Scrape Content Without Restrictions**  
 Search engines use the same web crawlers for AI-generated search results as they do for traditional indexing, preventing digital publishers from blocking access without sacrificing existing search traffic
- 
**Generative AI Answers Reduce Digital Publisher Monetization Abilities**  
 AI-generated search results may aggregate content from multiple digital publishers to provide direct answers to user queries, diminishing publisher site traffic and revenue potential
- 
**SEO Content Faces Reduced Visibility**  
 Generative AI search results rank content differently from traditional search results, making it more challenging for digital publishers to drive traffic and engagement through typical search marketing strategies

# Publishers are adopting new generative engine optimization (GEO) and content licensing tools to improve their performance and discoverability on generative AI platforms as they shift their focus from traditional SEO

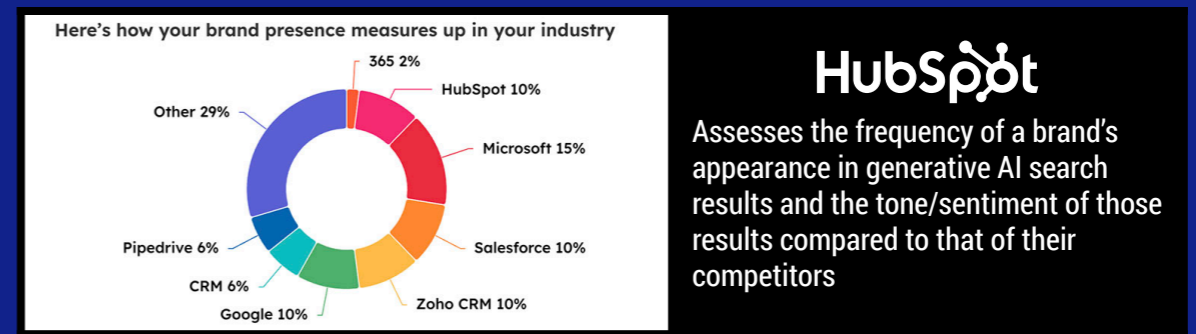
## EXAMPLE GENERATIVE AI GEO AND CONTENT MANAGEMENT TOOLS

### GENERATIVE ENGINE OPTIMIZATION (GEO) & BRAND MANAGEMENT



**Profound**

Analyzes how brands appear in generative AI search results and offers strategies to increase their visibility, while improving the quality and consistency of how they are featured within those results



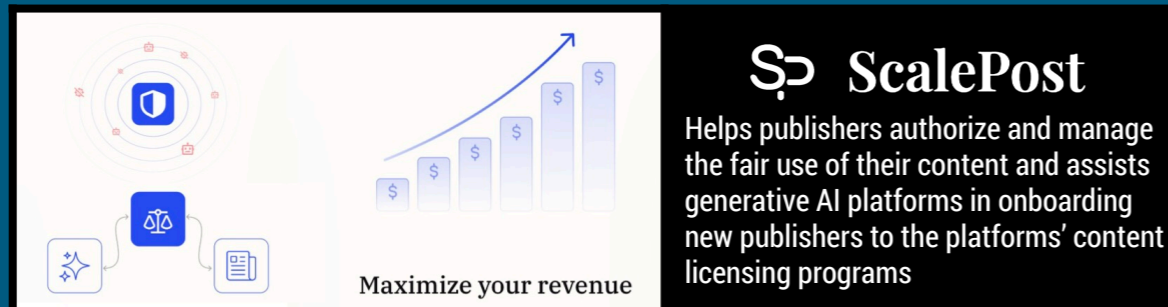
Here's how your brand presence measures up in your industry

Other	29%
HubSpot	10%
Microsoft	15%
Salesforce	10%
Zoho CRM	10%
Google	10%
CRM	6%
Pipedrive	6%
365	2%

**HubSpot**

Assesses the frequency of a brand's appearance in generative AI search results and the tone/sentiment of those results compared to that of their competitors

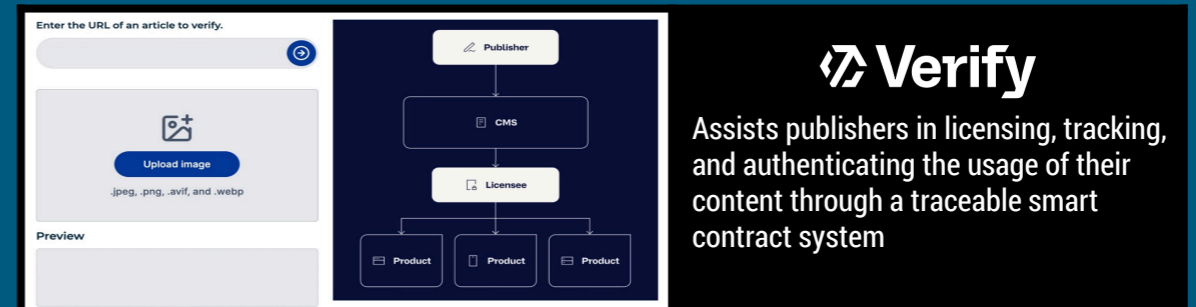
### PUBLISHER CONTENT LICENSING & PROTECTION



**ScalePost**

Helps publishers authorize and manage the fair use of their content and assists generative AI platforms in onboarding new publishers to the platforms' content licensing programs

Maximize your revenue



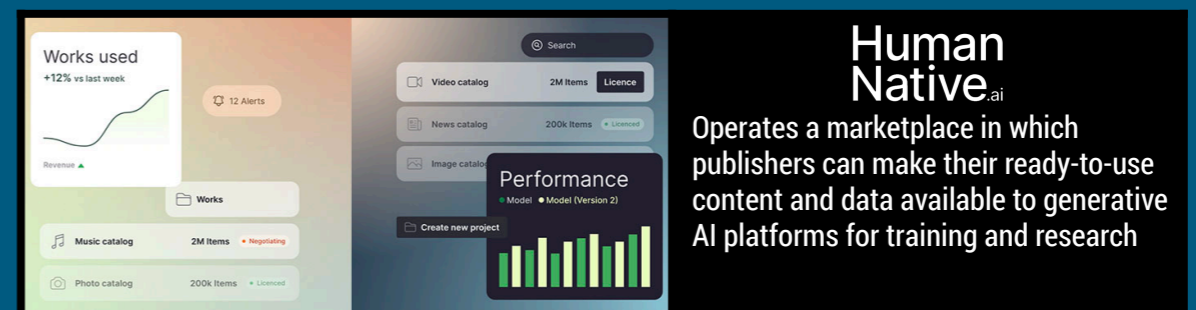
**Verify**

Assists publishers in licensing, tracking, and authenticating the usage of their content through a traceable smart contract system



**TOIIBIT**

Allows publishers to set rules and pricing for generative AI platforms to access their content and provides generative AI platforms with cleaner and more digestible publisher data



**Human Native.ai**

Operates a marketplace in which publishers can make their ready-to-use content and data available to generative AI platforms for training and research

# To get ahead of AI search, and avoid disintermediation, publishers must enhance and differentiate their digital offerings and user experience

## PUBLISHER STRATEGIES TO MAXIMIZE CONSUMER ENGAGEMENT

### GATED ACCESS

Placing content behind a paywall or requiring user registration and authentication, restricting access from generative AI web crawlers

### ECOMMERCE CAPABILITIES

Facilitating consumer transactions, which generative AI search services cannot currently process directly (e.g. the ability to purchase products or book flights)

### REAL-TIME INFORMATION

Offering trustworthy, real-time news and information that is too recent for generative AI models to reliably incorporate into search responses (e.g. live event coverage, real-time market updates)

### INTERACTIVE CONTENT

Creating dynamic, interactive content and engaging users in ways AI-generated responses cannot replicate (e.g. through polls, games, comments sections)

### MULTIMEDIA FORMATS

Providing rich multimedia content that creates a more engaging consumer experience than AI-generated text (e.g. through podcasts, livestreams)

○ ACTIVATE 2025 DATA PARTNERS ○

◀▶ Nielsen

Luminate

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Outlook 2025

# Thank you!

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