



ACTIVATE CONSULTING TECHNOLOGY & MEDIA OUTLOOK 2025 DISCOVERY & GENERATIVE AI

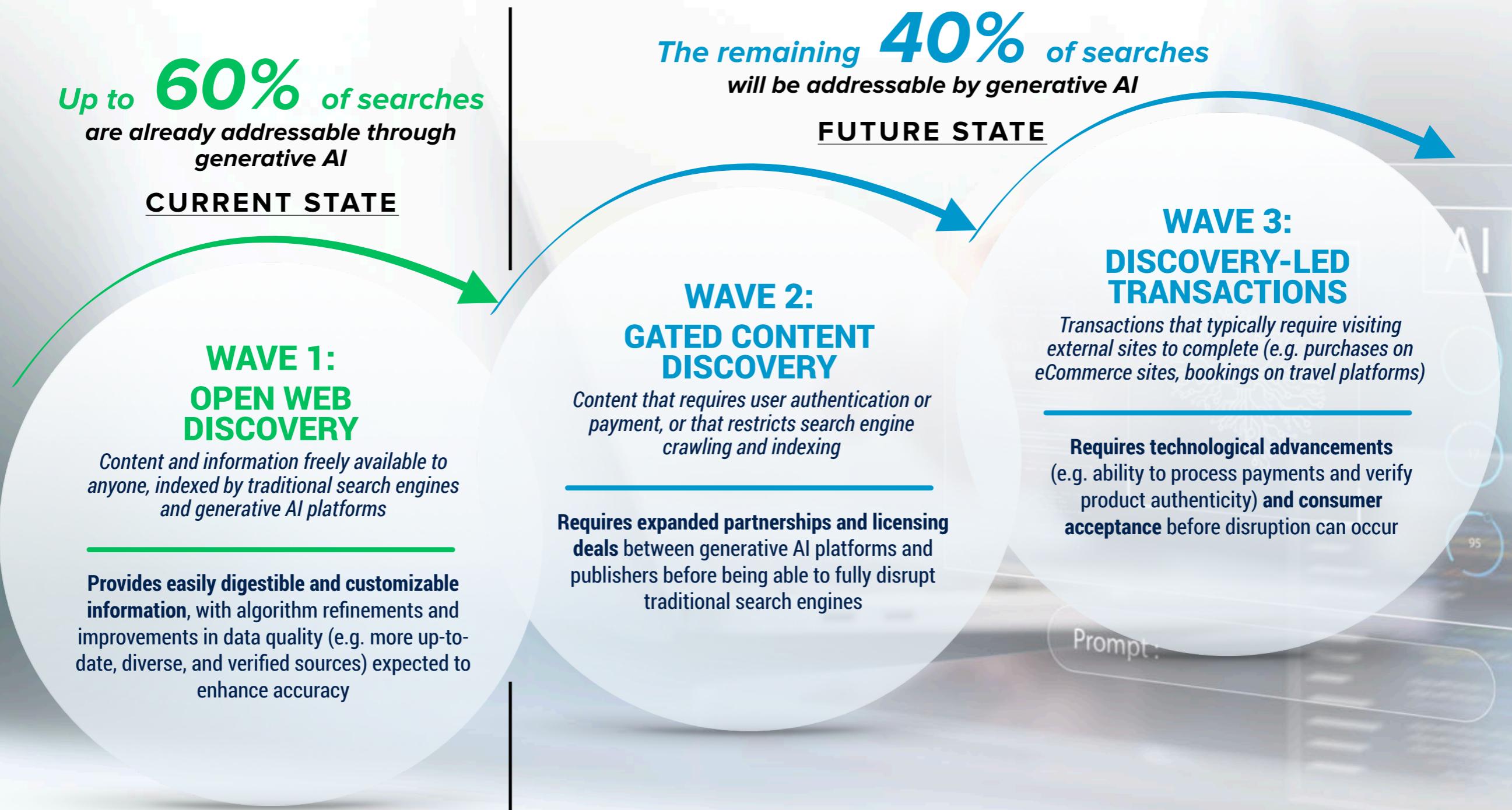
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Generative AI will change how people search online

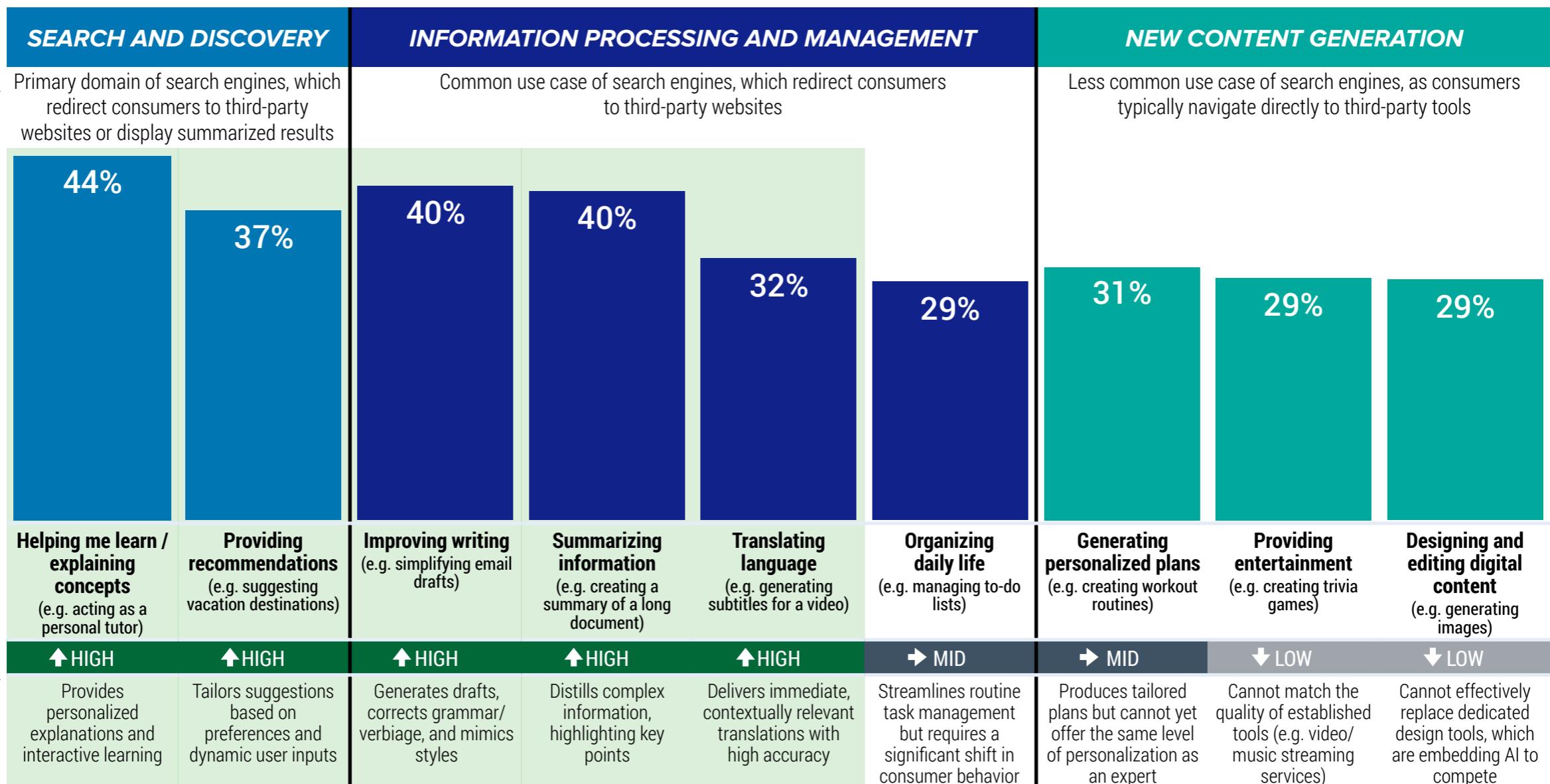


Generative AI will become people's default tool across an array of use cases



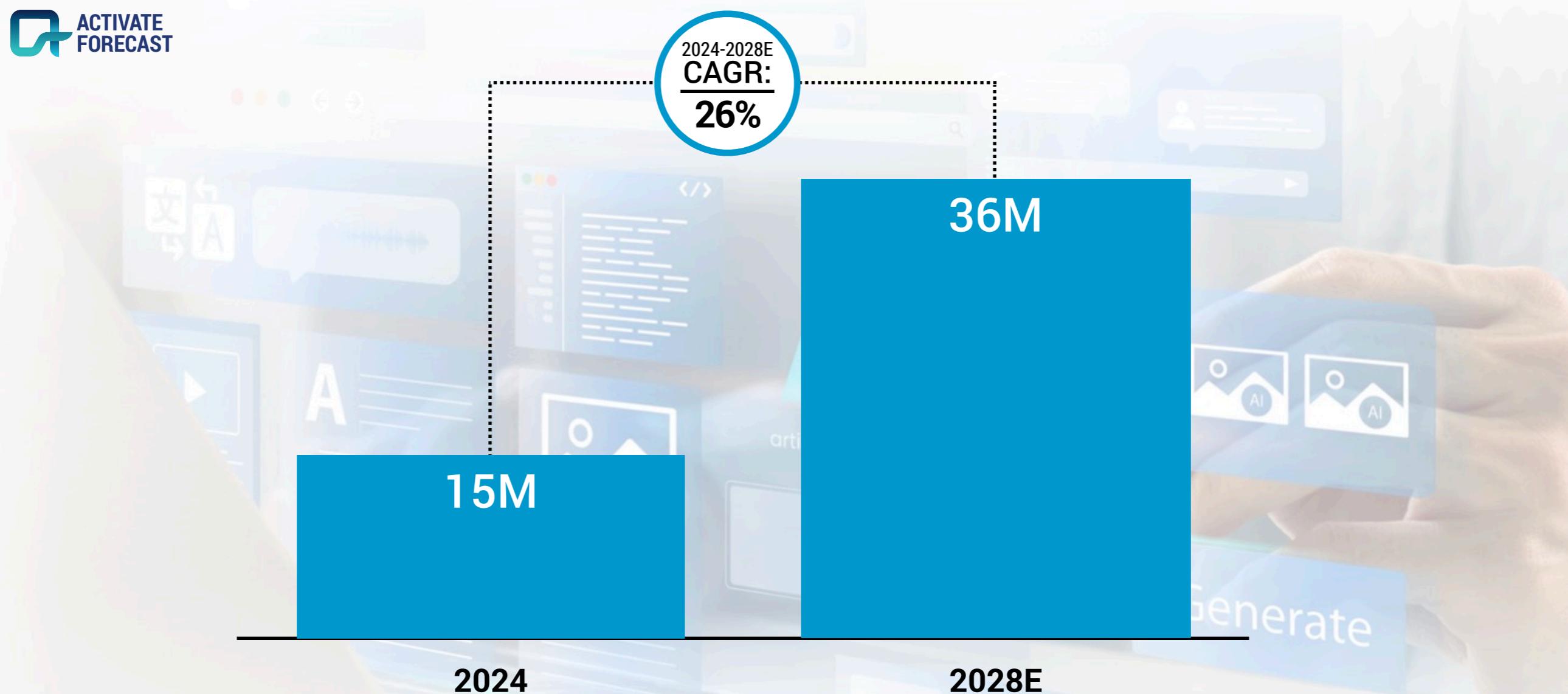
Current role of search engines:

GENERATIVE AI USE CASES, U.S., 2024, % MONTHLY GENERATIVE AI USERS¹



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 SEARCH¹, U.S., 2024 VS. 2028E, MILLIONS ADULTS AGED 18+



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



USAGE OF GENERATIVE AI¹ BY SEARCH TYPE, U.S., 2024,
% MONTHLY USERS OF BOTH GENERATIVE AI SEARCH SERVICES AND TRADITIONAL SEARCH ENGINES²



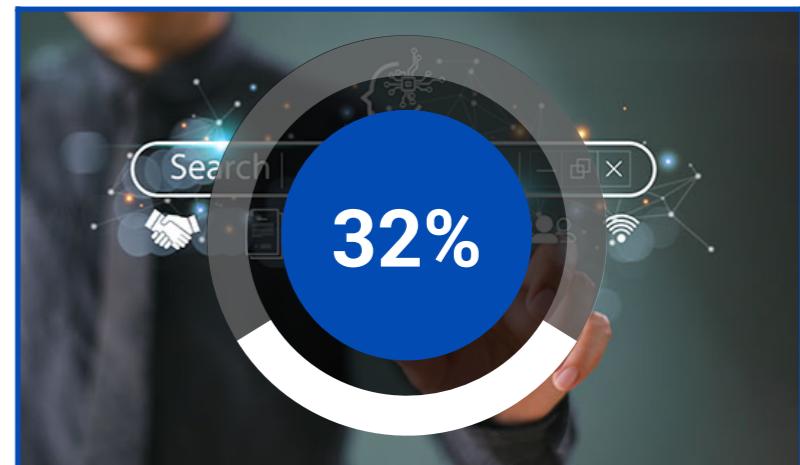
...typically use generative AI for
Exploration
 (to explore / learn about a topic)

“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

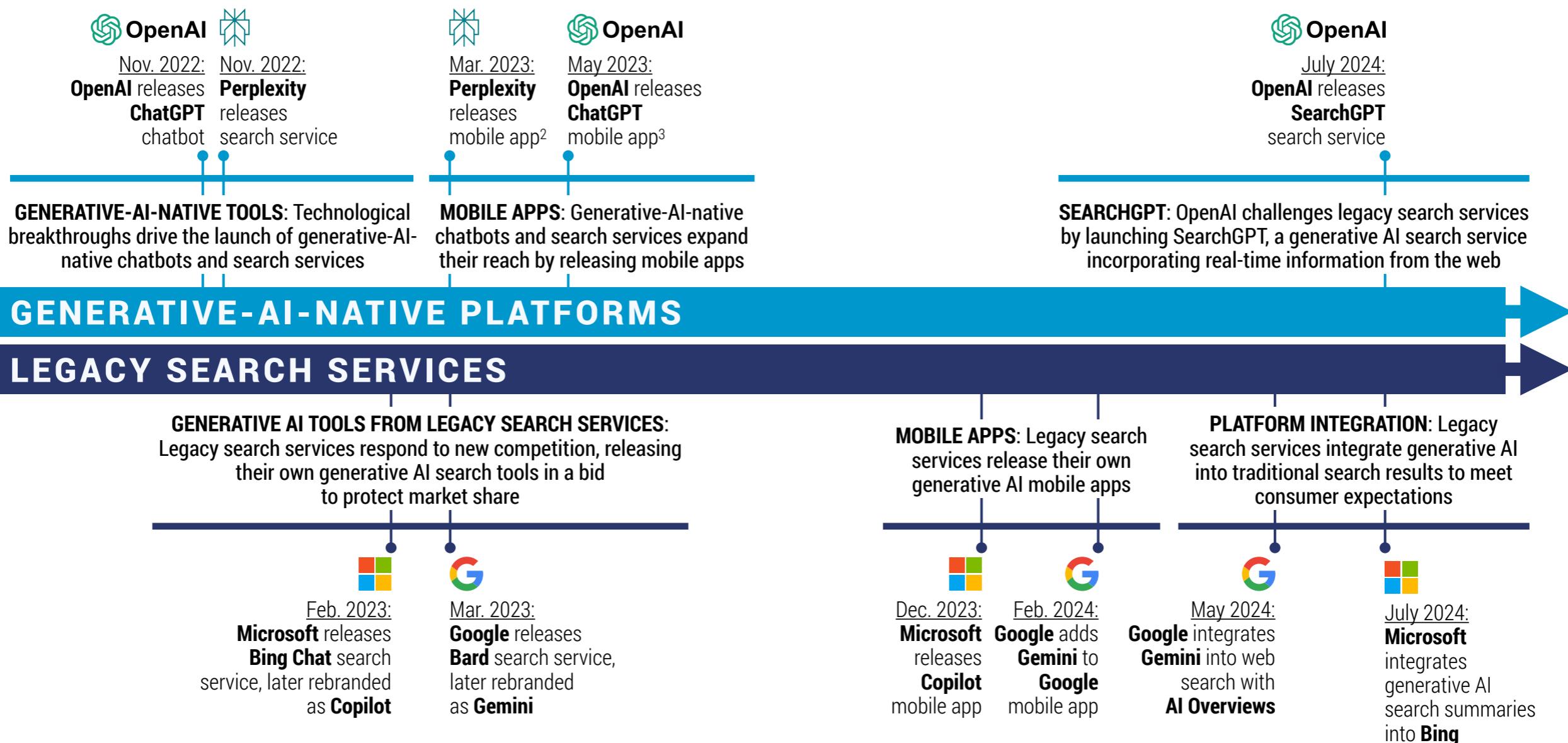
Example Use Cases:

- 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



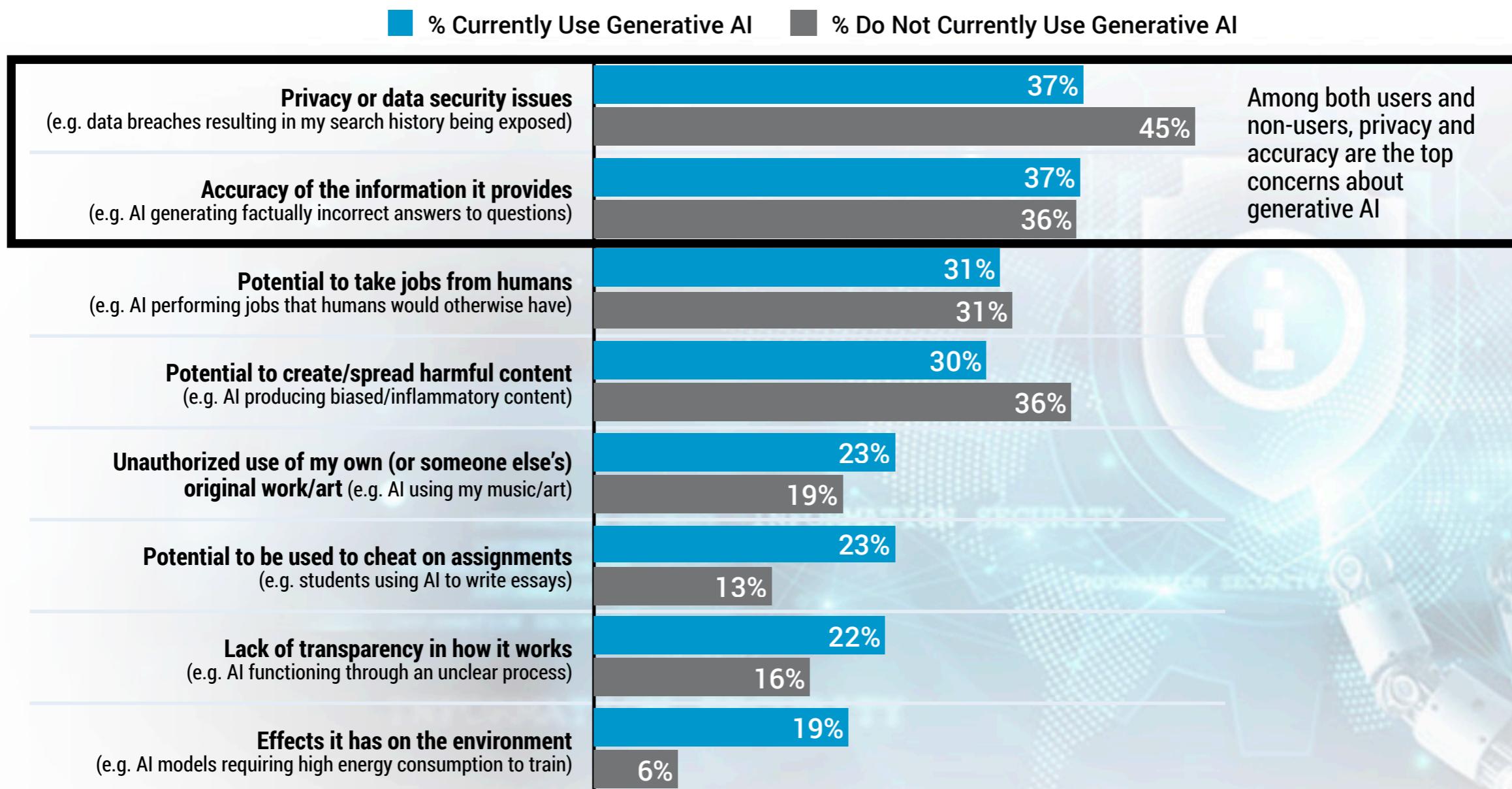
TIMELINE OF SELECT MAJOR GENERATIVE AI CHATBOTS AND SEARCH SERVICES, NOV. 2022-OCT. 2024¹



Note: Not exhaustive. 1. As of Oct. 7, 2024. 2. Perplexity launched its iOS app in Mar. 2023 and its Android app in May 2023. 3. OpenAI launched its ChatGPT iOS app in May 2023 and its Android app in July 2023.
Sources: Activate analysis, Company press releases

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

**TOP CONCERNS¹ ABOUT GENERATIVE AI,
U.S., 2024, % ADULTS AGED 18+ WHO ARE AWARE OF GENERATIVE AI BY GENERATIVE AI USAGE**



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 |
| EXAMPLE PARTNERSHIPS AP ASSOCIATED PRESS News Corp The Atlantic | OpenAI Dotdash meredith FINANCIAL TIMES H E A R S T | EXAMPLE PARTNERSHIPS DER SPIEGEL Entrepreneur FORTUNE TIME perplexity |

...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



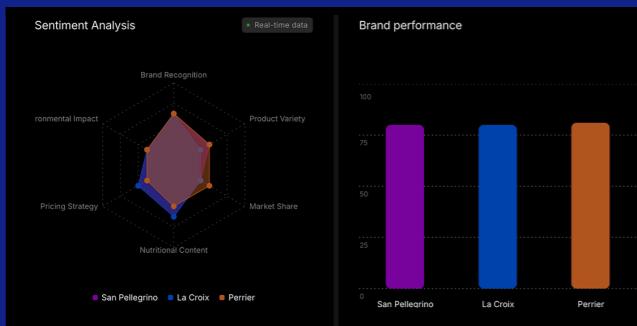
SEO Content Faces Reduced Visibility

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

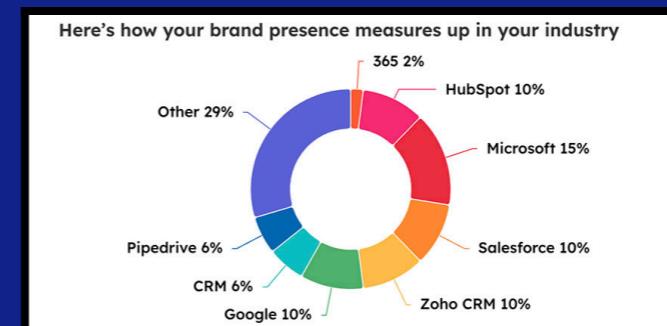
Publishers are adopting new generative engine optimization (GEO) and content licensing tools to improve their performance and discoverability on generative AI platforms as they shift their focus from traditional SEO

EXAMPLE GENERATIVE AI GEO AND CONTENT MANAGEMENT TOOLS

GENERATIVE ENGINE OPTIMIZATION (GEO) & BRAND MANAGEMENT

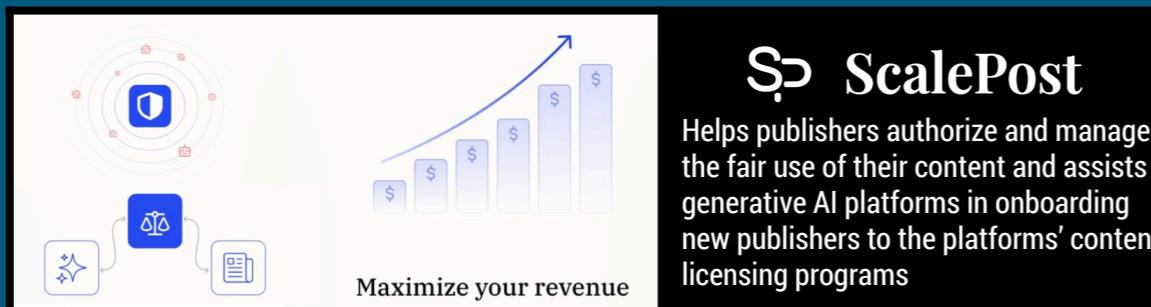


Analyzes how brands appear in generative AI search results and offers strategies to increase their visibility, while improving the quality and consistency of how they are featured within those results

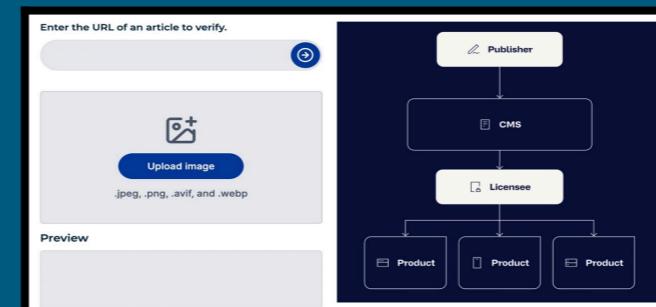


Assesses the frequency of a brand's appearance in generative AI search results and the tone/sentiment of those results compared to that of their competitors

PUBLISHER CONTENT LICENSING & PROTECTION



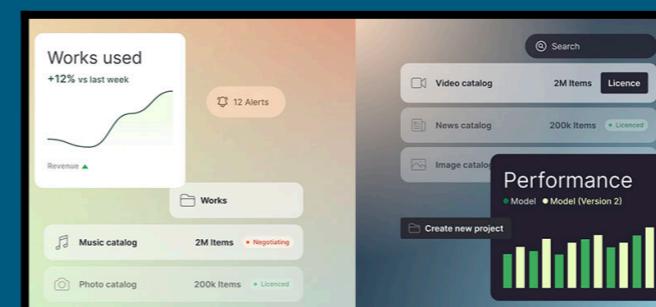
Helps publishers authorize and manage the fair use of their content and assists generative AI platforms in onboarding new publishers to the platforms' content licensing programs



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



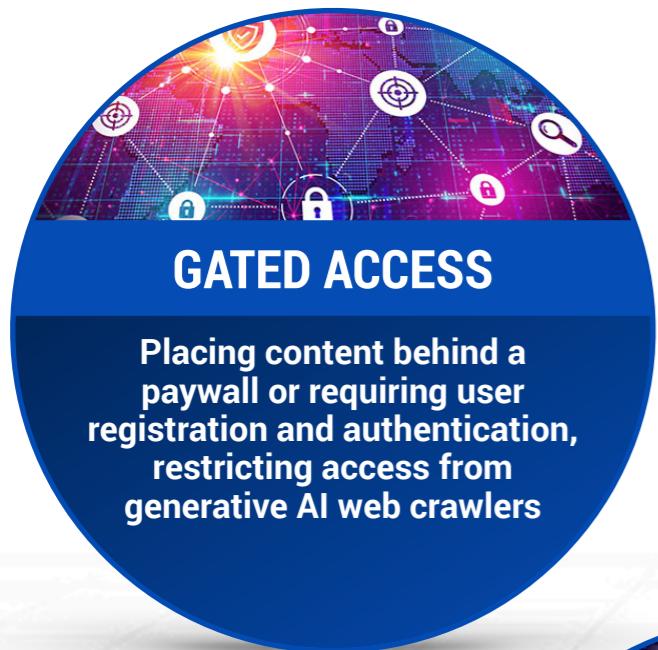
Allows publishers to set rules and pricing for generative AI platforms to access their content and provides generative AI platforms with cleaner and more digestible publisher data



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



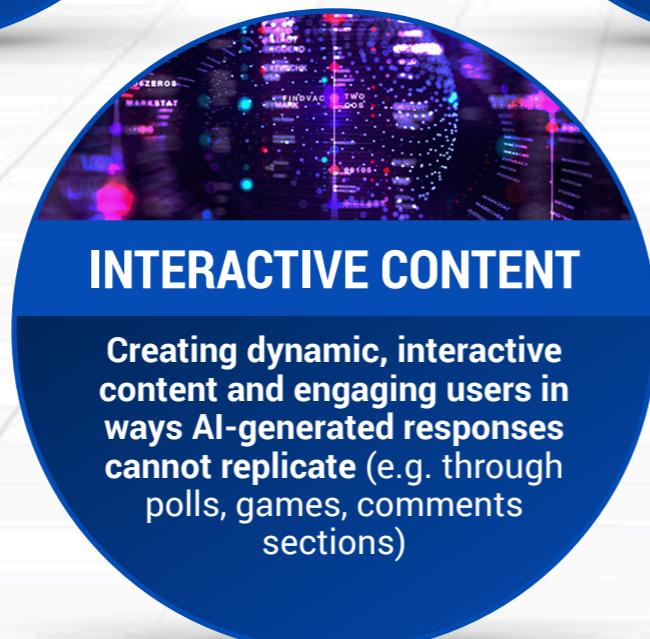
ECOMMERCE CAPABILITIES

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



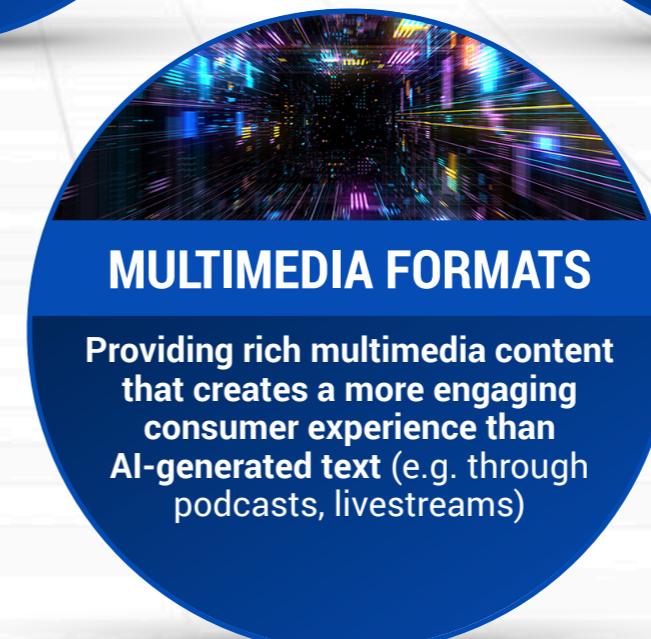
REAL-TIME INFORMATION

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

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Activate Technology & Media 
Outlook 2025

Thank you!

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