ACTIVATE CONSULTING
TECHNOLOGY & MEDIA OUTLOOK 2025
DISCOVERY AND GENERATIVE AI

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WSJ TECH LIVE

Generative AI will change how people search online

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

CURRENT STATE

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

FUTURE 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

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[1]

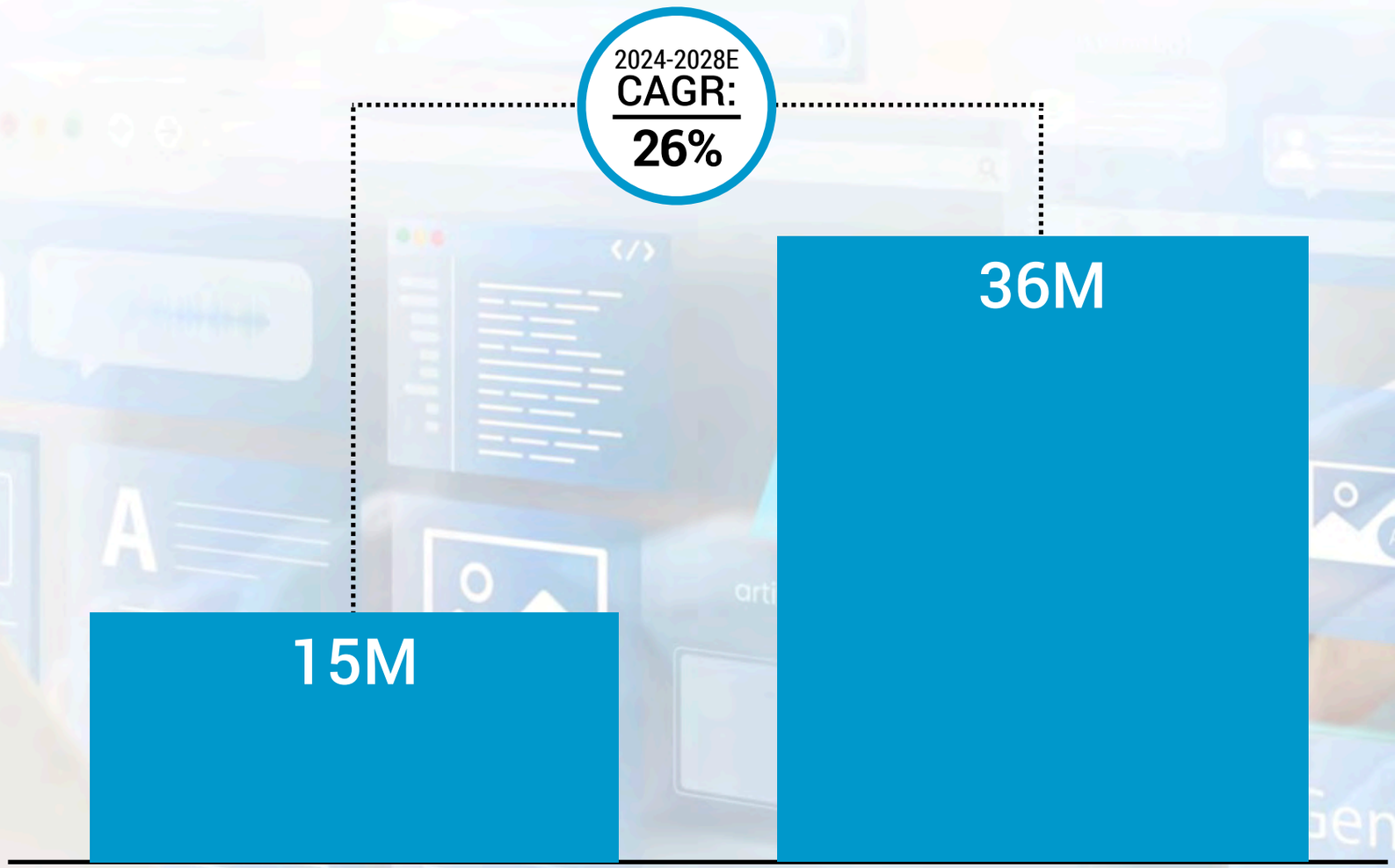
	SEARCH AND DISCOVERY		***INFORMATION PROCESSING AND MANAGEMENT***			***NEW CONTENT GENERATION***		
Current role of search engines:	Primary domain of search engines, which redirect consumers to third-party websites or display summarized results		Common use case of search engines, which redirect consumers to third-party websites			Less common use case of search engines, as consumers typically navigate directly to third-party tools		
	44%	37%	40%	40%	32%	29%	31%	29%	29%
	Helping me learn / explaining concepts (e.g. acting as a personal tutor)	**Providing recommendations** (e.g. suggesting vacation destinations)	**Improving writing** (e.g. simplifying email drafts)	**Summarizing information** (e.g. creating a summary of a long document)	**Translating language** (e.g. generating subtitles for a video)	**Organizing daily life** (e.g. managing to-do lists)	**Generating personalized plans** (e.g. creating workout routines)	**Providing entertainment** (e.g. creating trivia games)	**Designing and editing digital content** (e.g. generating images)
Near-term likelihood of generative AI becoming consumers' default tool:	↑ HIGH	↑ HIGH	↑ HIGH	↑ HIGH	↑ HIGH	→ MID	→ MID	↓ LOW	↓ LOW
	Provides personalized explanations and interactive learning	Tailors suggestions based on preferences and dynamic user inputs	Generates drafts, corrects grammar/ verbiage, and mimics styles	Distills complex information, highlighting key points	Delivers immediate, contextually relevant translations with high accuracy	Streamlines routine task management but requires a significant shift in consumer behavior	Produces tailored plans but cannot yet offer the same level of personalization as an expert	Cannot match the quality of established tools (e.g. video/ music streaming services)	Cannot effectively replace dedicated design tools, which are embedding AI to compete

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[1], U.S., 2024 VS. 2028E, MILLIONS ADULTS AGED 18+

ACTIVATE FORECAST



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[1] BY SEARCH TYPE, U.S., 2024,
% MONTHLY USERS OF BOTH GENERATIVE AI SEARCH SERVICES AND TRADITIONAL SEARCH ENGINES[2]

…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

Source: Activate analysis

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[1]

GENERATIVE-AI-NATIVE PLATFORMS

GENERATIVE-AI-NATIVE TOOLS: Technological breakthroughs drive the launch of generative-AI-native chatbots and search services

- Nov. 2022: **OpenAI** releases **ChatGPT** chatbot
- Nov. 2022: **Perplexity** releases search service

MOBILE APPS: Generative-AI-native chatbots and search services expand their reach by releasing mobile apps

- Mar. 2023: **Perplexity** releases mobile app[2]
- May 2023: **OpenAI** releases **ChatGPT** mobile app[3]

SEARCHGPT: OpenAI challenges legacy search services by launching SearchGPT, a generative AI search service incorporating real-time information from the web

- July 2024: **OpenAI** releases **SearchGPT** search service

LEGACY SEARCH SERVICES

GENERATIVE AI TOOLS FROM LEGACY SEARCH SERVICES: Legacy search services respond to new competition, releasing their own generative AI search tools in a bid to protect market share

- Feb. 2023: **Microsoft** releases **Bing Chat** search service, later rebranded as **Copilot**
- Mar. 2023: **Google** releases **Bard** search service, later rebranded as **Gemini**

MOBILE APPS: Legacy search services release their own generative AI mobile apps

- Dec. 2023: **Microsoft** releases **Copilot** mobile app
- Feb. 2024: **Google** adds **Gemini** to **Google** mobile app

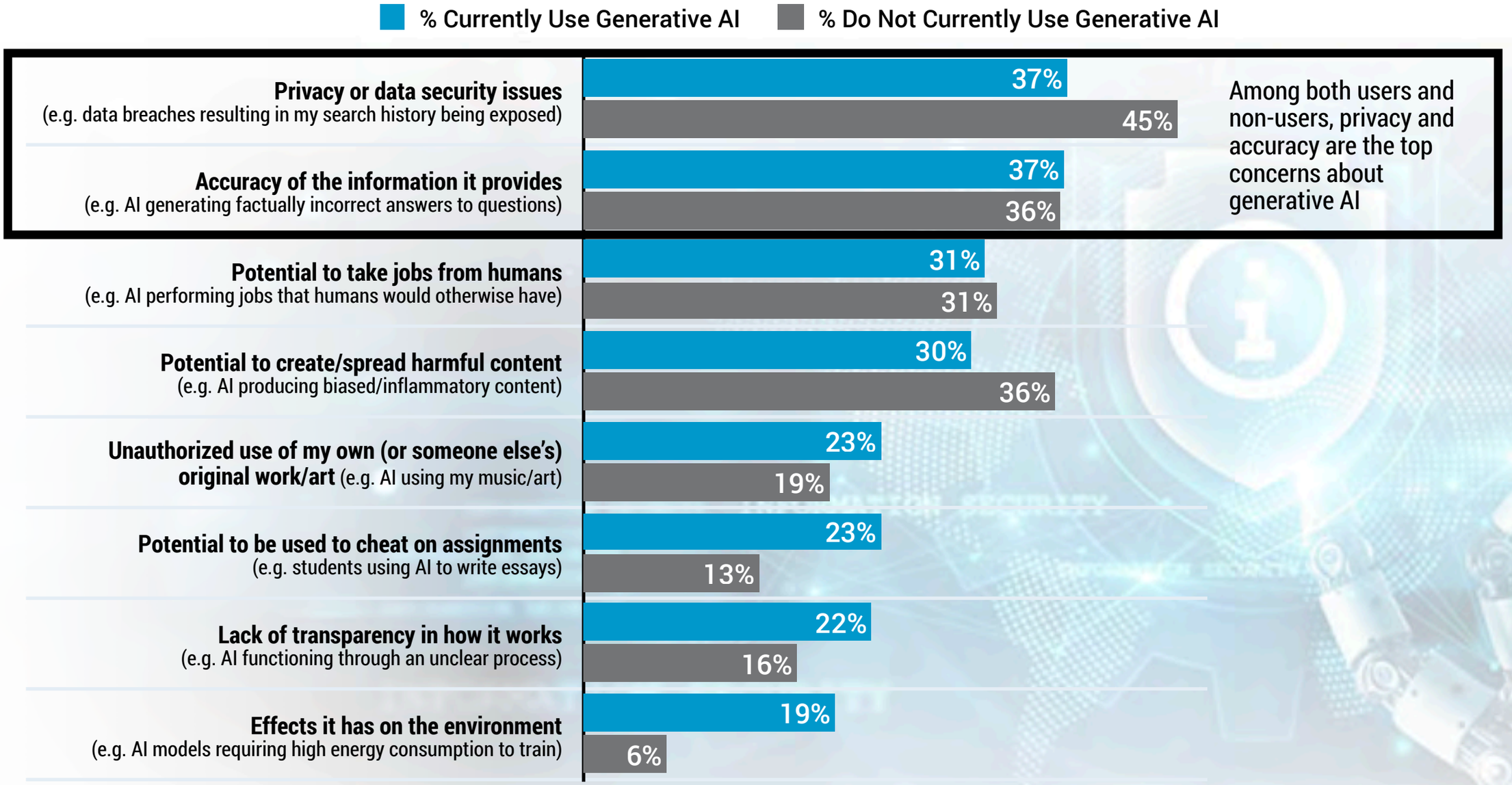
PLATFORM INTEGRATION: Legacy search services integrate generative AI into traditional search results to meet consumer expectations

- May 2024: **Google** integrates **Gemini** into web search with **AI Overviews**
- July 2024: **Microsoft** integrates generative AI search summaries into **Bing**

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 CONCERNS[1] ABOUT GENERATIVE AI,
U.S., 2024, % ADULTS AGED 18+ WHO ARE AWARE OF GENERATIVE AI BY GENERATIVE AI USAGE



1. Respondents were asked to select up to three top concerns.
Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004)

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: OpenAI — AP ASSOCIATED PRESS, News Corp, The Atlantic, Dotdash meredith, FINANCIAL TIMES, HEARST		EXAMPLE PARTNERSHIPS: perplexity — DER SPIEGEL, Entrepreneur, FORTUNE, TIME

…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

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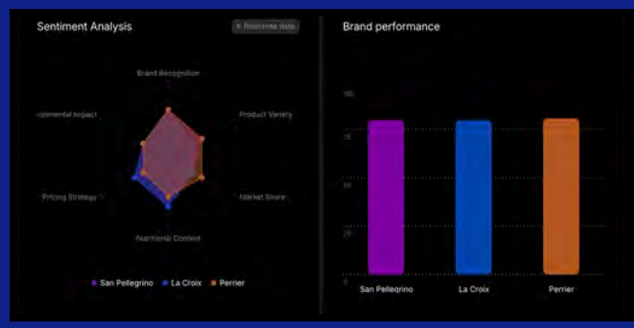
Sources: Activate analysis, Adweek, BrightEdge, Company press releases, The New York Times, The Seattle Times, TechCrunch, Wired

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

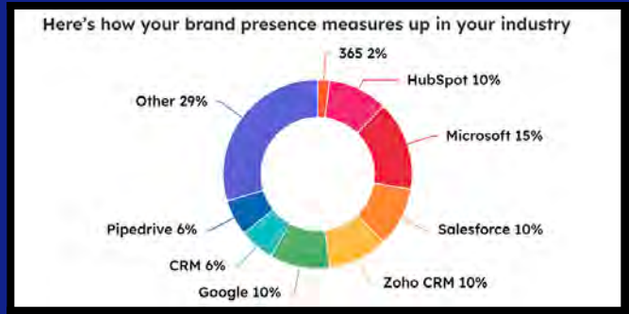
EXAMPLE GENERATIVE AI GEO AND CONTENT MANAGEMENT TOOLS

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



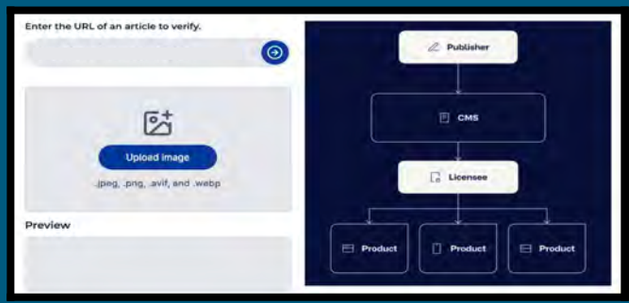
HubSpot

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

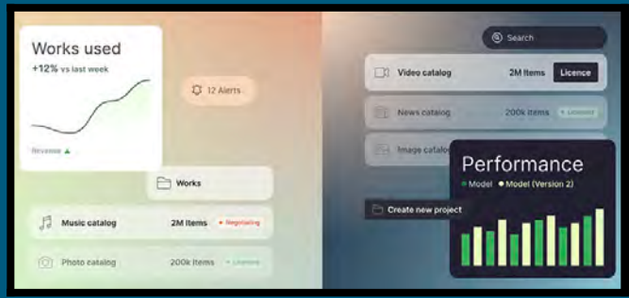


Verify

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

TOLLBIT

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

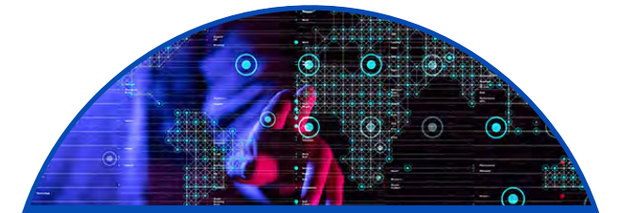
PUBLISHER STRATEGIES TO MAXIMIZE CONSUMER ENGAGEMENT

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)

Source: Activate analysis

ACTIVATE 2025 DATA PARTNERS

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Luminate

tubular

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GET IN TOUCH:

Michael J. Wolf
michael@activate.com

Seref Turkmenoglu
seref@activate.com

Samuel Studnia
sam@activate.com

Donovan Rose
donovan@activate.com

Anthony Aguila
anthony@activate.com

Cigdem Binal
cigdem@activate.com

www.activate.com

11 Madison Square North, New York 10010

212 316 4444

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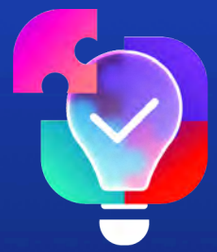
AI STRATEGY AND ENABLEMENT

PRICING

NEW BUSINESS CREATION

PRIVATE EQUITY SERVICES



PROJECT MANAGEMENT

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www.activate.com

CREATED BY
THE ACTIVATE CONSULTING TEAM:

Michael J. Wolf
Seref Turkmenoglu
Samuel Studnia
Donovan Rose
Anthony Aguila
Cigdem Binal
Marlee Melendy
Lily Silva
Mark Manley
Griffin Glenn
George Levy
Karinya Ghiara
Rachel Lunsford

Shruti Pal
Jonathan Homidan
Brigid Lynch
Cansu Seckin
Taylan Tuncata
Rebecca Federman
Danielle Koterbay
Leah Kochendoerfer
Matt Herman
Taylor Clarke
Aeron Davies
Leo deSouza
Max Wills

Will Young
Ahmad Yousef
Kate Buchholz
Madison Restivo
Noah Sugerman
Owen Engling
Sunni Liu
Carter Shields
Kelly Zhou
Mary Griffin
Halla Elkhwad
Justin Moskowitz
Nipun Banerjee

Zach Neri
Laura Miller
Annik Wolf
Frank Noto
Denise Shea
Stephen Corsello
Irina Dessaint
Cassie Wat
Leah Collins
Sydney Frame

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11 Madison Square North
New York, NY 10010

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