

Google's AI-driven Search Generative Experience could slash publishers' organic search traffic by 20% to 60%

Article

The news: Industry experts report that **Google's** May rollout of its AI-driven Search Generative Experience (SGE) could **slash publishers' organic search traffic by 20% to 60%**, sparking fears of significant digital ad revenue losses, notes Adweek.

- **Raptive**, which runs ad sales for a number of publishers, suggests the industry could face up to a **\$2 billion annual shortfall** in ad revenues due to SGE's impact. One anonymous executive cited by Adweek hinted that traffic declines could be even more drastic, exceeding 60% for some.
- Analysis reveals varied effects across different sectors, with Raptive's network possibly witnessing a 25% traffic reduction. Particularly hard-hit areas include the food sector (20% decline) and travel and family verticals (29% drops).

Why it matters: SGE delivers precise answers to user queries directly within a chat, reducing the necessity for users to click through to publishers' websites. If users find what they need directly in an SGE chat, their incentive to visit the original content source decreases.

- In many ways, SGE is Web Snippets on steroids—poised to significantly alter the landscape for publishers, potentially diminishing their traffic and, by extension, ad revenues.
- High-profile failures **like [The Messenger's shutdown](#)** have put a new spotlight on the woes of being a modern digital publisher.
- The response strategy includes forging partnerships, such as those between **OpenAI** and publishers **like [The Associated Press](#)** and **our parent, [Axel Springer](#)**, and taking legal action to protect intellectual property, as **demonstrated by [The New York Times](#)**. Publishers are also diversifying their editorial strategies, incorporating newsletters, subscriptions, and AI chatbots to mitigate the potential downturn in search-driven traffic.

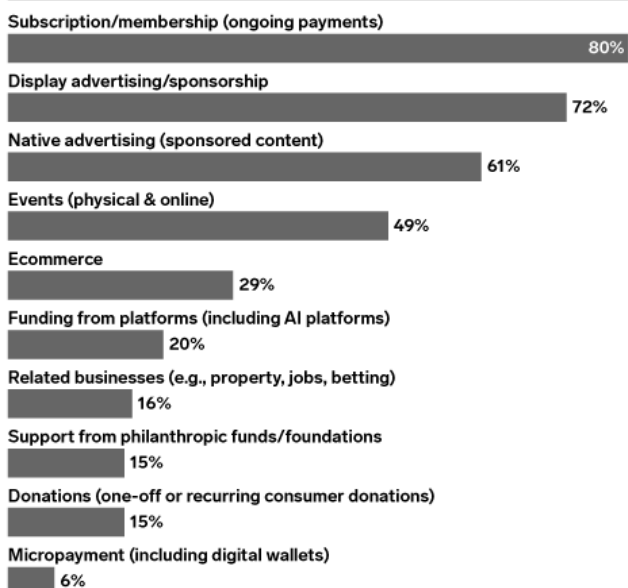
Our take: The shift toward SGE highlights the importance of adaptability and innovation in digital publishing. As platforms like Google continue to refine their algorithms and search experiences, the ability of publishers to anticipate changes and strategically pivot will be paramount.

- Publishers need to diversify by adding new revenue streams, including job boards and experiential events, rather than assume their display ad businesses will come back in a major way—they won't.

- [Google needs SGE to save its search experience](#), whose quality has declined, according to researchers. This explains its haste to roll out SGE broadly.
- Ecommerce, banking and financial services, social media, and paywalled services (including streaming) won't suffer a large hit in the same way publishers will.
- Publishers should consider reevaluating their SEO strategies and diversify their traffic sources, perhaps by investing in email, SMS, and other owned channels. The less a publisher needs to rely on a gatekeeper, the better.

Important Digital Revenue Streams for Their Company in 2024 According to Commercial Publishers Worldwide, Dec 2023

% of respondents



Note: n=275 commercial publishers; excludes publicly funded public broadcasters
 Source: Reuters Institute for the Study of Journalism and University of Oxford, "Journalism, Media, and Technology Trends and Predictions 2024," Jan 9, 2024

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