Driven by ChatGPT, Microsoft and Google debut the next generation of search

Article

The news: At an impromptu industry event on Tuesday, **Yusuf Mehdi**, **Microsoft**'s Consumer CMO, hailed a new and improved version of **Bing** powered by AI tech as the "next generation

of search and browsing" that will go up against **Google**.

- Bing's new chatbot, unveiled just weeks after Microsoft invested a reported [$10 billion](#) in ChatGPT owner **OpenAI**, will leverage a more powerful model dubbed **Prometheus** (neither party is referring to this as the long-awaited GPT-4), which will improve the relevancy of answers, deliver faster search results, and factor geolocation into query responses.

- Mehdi called the chatbot "much more powerful than ChatGPT'' and "customized specifically for search." A revamped Bing homepage has a new layout with web results on the left and annotations on the right.

- Microsoft is also introducing two AI-powered features, "chat" and "compose," for its **Edge** browser. The "chat" feature allows users to summarize a webpage or document and ask questions about its content, while "compose" assists with writing text for social media posts and other documents.

In response: Google entered the chatbot market on Monday with the unveiling of **Bard**, a clear response to ChatGPT which will launch in the near future and allow users to search via a conversational interface. Google chief **Sundar Pichai** wrote in a blog post that Bard is already available to trusted testers.

- A chatbot using a smaller version of Google's AI model **LaMDA**, Bard aims to provide a conversational interface to the world's knowledge.

- Pichai made no mention of plans to include Bard into the search engine that drives much of Google's revenue; instead, he focused on how Google may use AI to synthesize information from multiple sources into "easy-to-digest formats." For example, a question may return an AI-generated answer at the top of the interface, pushing organic results further down the page.

Why it matters: Google, **Baidu**, and Microsoft [will combine for](#) $161.22 billion in global search ad revenue this year. Google controls **over 91% of that triopoly's share** this year and wants to stay well ahead of competitors.
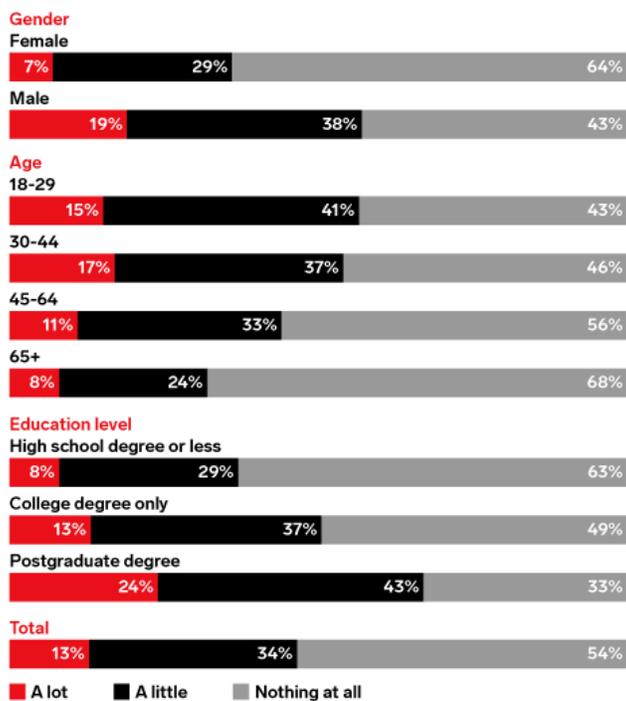
Our take: The hurried announcement and dearth of details on Bard are unmistakable indicators of the "code red" that ChatGPT's introduction last year set off [among Googlers](#) who thought the company had been caught flat-footed.

- In fairness, Google has been worried about a backlash against unproven AI given the tech's well-documented propensities to spread harmful content like hate speech and to confidently assert false information. OpenAI's co-founder and CTO has acknowledged as much in her [calls for government oversight](#) of the technology.

- Google is betting that it can take a slow-but-steady approach to getting consumer AI right. In some ways, it's a bet that consumers will find it difficult to ditch a search engine they've used for decades.

All of the above assumes Microsoft's experience is, in fact, better. Consumers haven't preferred Bing since its launch in 2009, but if OpenAI's positive halo rubs off, Microsoft could gain momentum to begin making inroads into Google's lead. At that point, we would imagine Google would accelerate its conversational search plans if they're smart—which they are.

Familiarity With ChatGPT Among US Adults, by Demographic, Jan 2023
% of respondents in each group

Gender

	A lot	A little	Nothing at all
Female	7%	29%	64%
Male	19%	38%	43%

Age

	A lot	A little	Nothing at all
18-29	15%	41%	43%
30-44	17%	37%	46%
45-64	11%	33%	56%
65+	8%	24%	68%

Education level

	A lot	A little	Nothing at all
High school degree or less	8%	29%	63%
College degree only	13%	37%	49%
Postgraduate degree	24%	43%	33%

Total

	A lot	A little	Nothing at all
Total	13%	34%	54%

■ A lot   ■ A little   ■ Nothing at all

Note: numbers may not add up to 100% due to rounding
Source: YouGov as cited in company blog, Feb 1, 2023

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Go further: *Want to know what all the fuss is about? [Read our new ChatGPT and Generative AI report](#).*

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