

Analysts debate: Will Perplexity rival Google?

Article

This article was created with assistance from AI.

Google has a 92% global market share in search, generating massive profits from its ad-driven model. It's hard to see any platform rivaling that, but generative AI search platform Perplexity, valued at \$1 billion, is challenging the leader.

We asked two EMARKETER analysts to debate Perplexity challenging Google on a recent [“Behind the Numbers”](#) podcast.

In Perplexity's corner

"I use it almost every day," said our analyst Ethan Cramer-Flood. "It's such a much more pleasant way to conduct your online searching or to get answers to your questions. Whereas [Google](#) has become this advertising hellscape where you never quite know how hard you're going to have to work to find what you need."

Perplexity's interface is simple and elegant, providing direct answers instead of a list of links.

"If (users) discover it, they're going to start to use it, and just by definition, that puts pressure on Google," he said.

While Google has launched its own AI Overviews, the shift also changes the economics of search for the ad giant.

"It costs Google almost nothing when users click on its links, leading to huge profits," said host Marcus Johnson. "However, generative AI shifts this model because AI-generated answers require more computing power and provide direct answers instead of links."

This shift could increase costs for Google, potentially lower its revenue and margins.

In Google's corner

"Google is synonymous with internet search and worth \$2 trillion," said our analyst Zach Goldner.

Beyond market share, Google is deeply embedded in society, making it challenging for newcomers to disrupt its dominance, he said. "No one has really been able to disrupt Google, even despite the DOJ bringing up lawsuits against Google here in the US. People still want to use it as their default search engine."

Also, Google's deep pockets and cutting-edge tech will help it parry any competitive threats. "Until another competitor shows that it's the better product, I don't think we'll be seeing Google lose its market share anytime soon," he said.

Listen to the episode.

This was originally featured in the [EMARKETER Daily newsletter](#). For more marketing insights, statistics, and trends, subscribe [here](#).