

# Answering marketers' 4 most pressing questions about ChatGPT-based search

Article

Even as suspicions surrounding ChatGPT and generative AI swirl, marketers know the new tech will turn search—and its ad dollars—on its head. As search shifts toward chatbots, the

way brands advertise with Google and Microsoft will change completely, creating problems for publishers and agencies.

Here are four pressing questions on how AI will change marketing, and how you can prepare.

### **How will AI search make money?**

For Microsoft, the answer is plopping ads directly in **Bing's ChatGPT-driven search**. The company will place ads directly within the chat, similar to how sponsored results might appear next to search results now.

But more ads could crush Microsoft's AI search business before it's even off the ground.

"I'm worried [more ads] could compromise any future plan of monetizing AI-powered chat unless they start offering paid ad-free access to chat," our analyst Gadjo Sevilla said on a recent episode of our "**Behind the Numbers**" podcast. "Bing isn't really anyone's go-to search engine, and AI chat is really the only differentiator at this point. So clogging that with targeted ads could quickly devalue [its] usefulness."

Microsoft makes up just 5.3% of total US search ad spend, according to our forecast, but that's still a \$5.84 billion business. To avoid stepping on its own toes, Microsoft will have to tread lightly with AI search ads.

### **Which businesses will AI search disrupt first?**

Outside of Big Tech, publishers and agencies working with smaller brands will notice the toll of AI first.

**For publishers:** The natural language results from AI search completely eliminate the need for users to visit websites, since answers will be shown directly in Google and Bing results.

"It cuts through their advertising models, and the way that they usually promote their content is going to change," said Sevilla.

Publishers can lean into AI search, contributing to the glut of content the tech pulls from in order to scrape a share of ad spend from stray link clicks and, potentially, shared search ad revenues.

Or they can differentiate themselves from AI by pushing trustworthiness and human generation. “We might get to a point where authenticity would be the key determining factor, similar to how some people would look out for the source of the content they’re reading,” Sevilla said.

**For agencies:** As platforms like Facebook, Instagram, and Google develop their own AI ad creation tools, the need for agencies as intermediaries could disappear altogether.

“It’s very easy to see a path toward a world where generative AI and the automation that’s being built into those platforms basically removes the need to hire an agency,” said our analyst Max Willens. “Just take photos of your products, stick them in there along with the particulars of where your business is located, your site URL, and the platforms are just going to do the rest of it.”

Those changes may build efficiency for brands, but agencies will need to find ways to differentiate themselves in order to survive.

### **How will personalization in search disrupt marketing?**

As a search engine gathers user data, it could deliver personalized results. It may suggest the best credit card based on what it knows about you, or sneakers based on what you’ve searched for in the past.

In the short term, that’s a huge opportunity for advertisers. But in the long term, users may grow fatigued with what they view as unobjective results. Personalized search has “the potential for a further erosion, or even just disintegration, of public trust,” said Willens.

### **What is the timeline for these changes?**

Chat-based search moved faster than most expected, but it’s important to remember that adoption—and even implementation—aren’t common yet.

“If I’m working at a brand or an agency, the thing that I’m tracking most closely is just the rate and nature of consumer adoption,” said Willens. “People talk about this technology as though it has already replaced or supplanted regular search behavior, but that’s just untrue.”

Nearly half of US adults are interested in **AI-powered search**, according to Morning Consult, but 74% **don’t trust the tech with their personal data**.

At the same time, change feels inevitable. Once Google implements a chatbot within search at scale, adoption will move fast. Keep a close eye on Google for that timeline, and be prepared with ways you'll need to pivot.

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