

Perplexity's advertiser pitch deck details its Q4 launch plans

Article

The news: Perplexity is gearing up to enter the advertising space in the fourth quarter, revealing its plans in a new pitch deck.

- The AI search engine, valued at \$3 billion in June and just \$1 billion two months prior, is positioning itself as a formidable competitor to industry giants like **Google** and newcomers

like **OpenAI's ChatGPT**.

- Perplexity's unique approach will integrate ads directly within users' queries and answers.

This comes weeks after the company announced [revenue-sharing deals](#) with publishers like **Time** and **Fortune** in the wake of [content theft allegations](#).

Deck highlights: Perplexity emphasizes its highly educated and affluent users, with 82% and 45% holding undergraduate and graduate degrees, respectively. Additionally, 30% of its users are in senior leadership roles, making it an attractive platform for advertisers targeting a professional, high-income audience.

- The pitch deck showcases how ads could seamlessly appear alongside queries. For example, a **T-Mobile** ad might appear in response to a query about mobile phone plans, or a branded explanatory text from **Microsoft** could accompany a question related to cloud computing solutions. This approach allows advertisers to engage users at critical moments of curiosity and decision-making.
- Perplexity has identified over a dozen “**key**” **advertising categories** for its initial launch, including **technology, health and pharma, finance, and travel**. The platform is offering unique opportunities such as answer page takeovers and sponsored "Related Question" sections to maximize brand exposure.
- To ensure a consistent and safe environment for advertisers, Perplexity is offering locked answers for Sponsored Related Questions and the ability to block specific terms. Advertisers can track effectiveness with detailed performance metrics, including impressions, unique impressions, and click volume on sponsored media.

Why it matters: Perplexity's ad launch will challenge established players by offering a fresh alternative that prioritizes user engagement and ethical standards. The platform's focus on maintaining equal weight between sponsored and organic content underscores its commitment to transparency, which could attract advertisers seeking a more balanced approach.

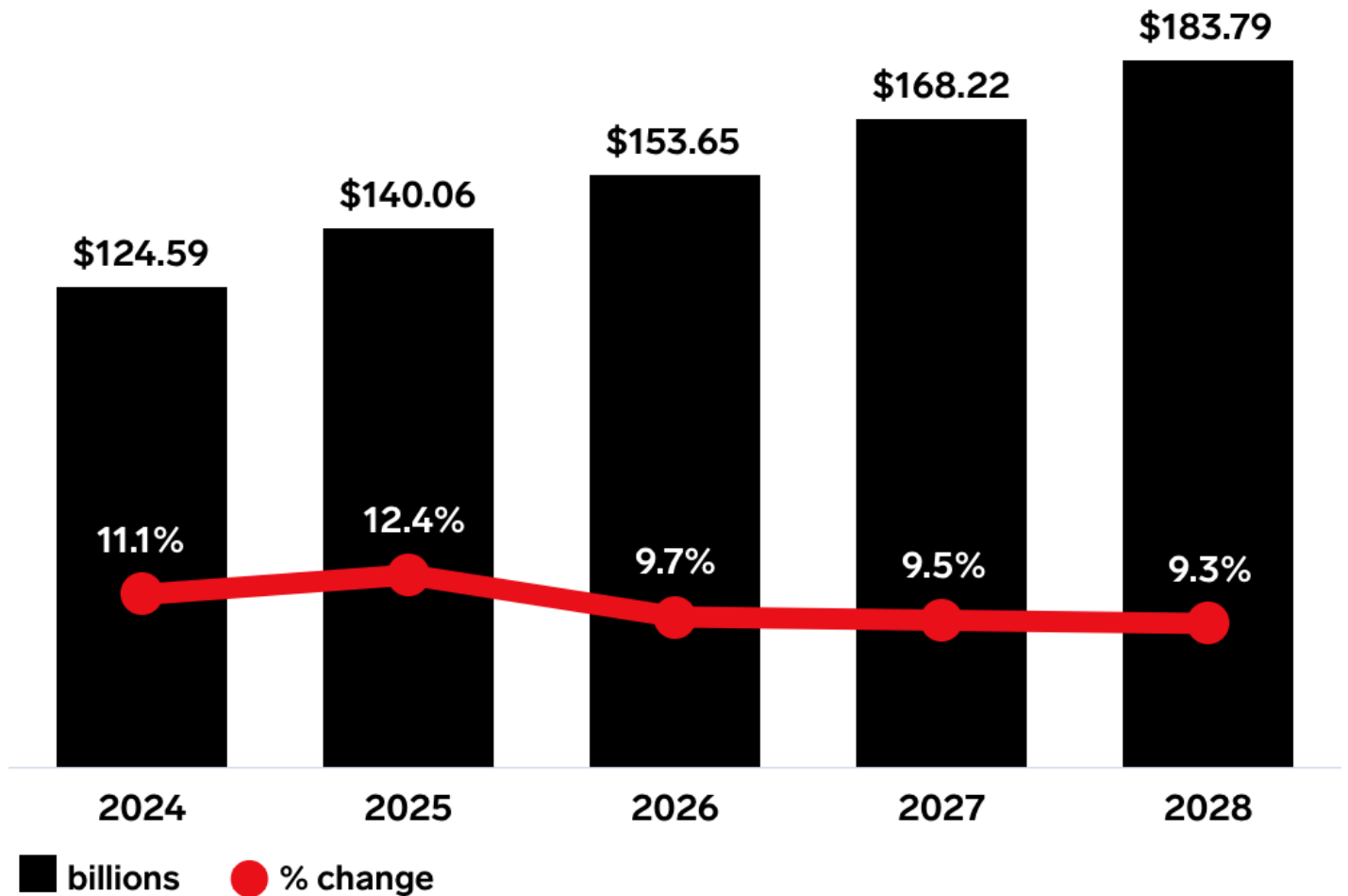
Moreover, Perplexity's rapid growth—marked by an **eightfold increase in US queries** over the past year—signals its rising influence in the search landscape. The company's emphasis on accuracy, speed, and readability, as outlined by chief business officer **Dmitry Shevelenko**, further strengthens its competitive edge.

Our take: As Perplexity expands its advertising offerings, the platform has the potential to make a substantial impact if it can do two things: Sell plenty of ads and prove their effectiveness. And while casting a wide net is laudable, some of the key industries it is targeting will gain traction faster than others.

That said, the company's innovative integration of ads offers brands a compelling opportunity to engage a highly interactive audience—and gain some traction in the lucrative search market.

Search Ad Spending

US, 2024-2028



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices for all formats mentioned; includes contextual text links, paid inclusion, and paid listings

Source: EMARKETER Forecast, March 2024