

Apple and Microsoft are encroaching further onto Google's search turf

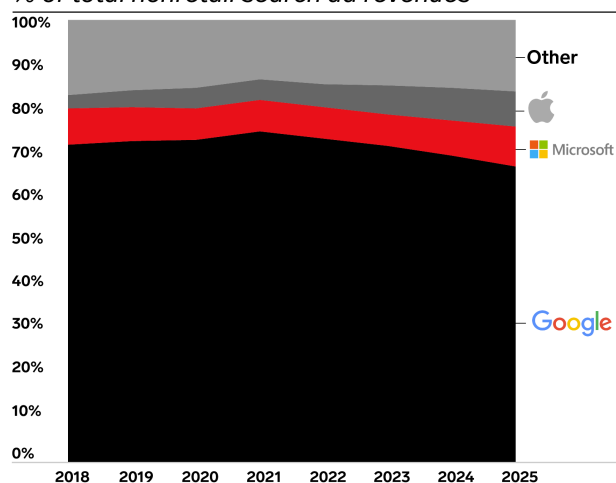
Article

The AI-assisted search revolution will take place primarily on the nonretail battleground, which is still dominated by Google. But Google lost share of the market last year, and Microsoft and Apple are starting to appear a little closer in Google's rearview mirror.

- **Microsoft's early bet on conversational search will pay off in growth.** Bing has reportedly surpassed 100 million daily active users worldwide since the introduction of the new Bing, a chatbot-style interface run off OpenAI's GPT-4 large language model. Microsoft will grow its US search ad revenues 9.0% this year—more than three times as fast as Google. In 2024 and 2025, its search ad revenue growth will rival that of Amazon.
- **Apple's App Store ads are an immense success.** Apple's ad revenues will top \$5 billion in 2023, having nearly quadrupled over the last five years. Its own privacy changes will continue to drive healthy double-digit growth for its ads business—while making it harder for others to target iOS users and measure mobile campaign effectiveness outside of Apple-owned apps.

US Nonretail Search Advertising Market Share, by Company, 2018-2025

% of total nonretail search ad revenues



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, paid listings (paid search), and SEO; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; excludes retailers; Google includes YouTube advertising revenues

Source: eMarketer, March 2023

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Despite these evolving market dynamics, Google will remain the biggest player in search for the foreseeable future. Unless, that is, someone—perhaps Samsung or Apple—disrupts the delicate balance of agreements that keeps Google as the default search engine on most smartphones and browsers.

Report by Evelyn Mitchell May 15, 2023

Search Ad Spending Forecast and Trends H1 2023

